CVUSD
Board Policy

BP 3460

Business and Noninstructional Operations

Financial Reports And Accountability

The Governing Board is committed to ensuring the fiscal health of the district and providing public accountability. The Board shall adopt sound fiscal policies, oversee the district's financial condition, and ensure that the financial systems support the district's goals for student achievement.

(cf. 3100 - Budget)
(cf. 3110 - Transfer of Funds)
(cf. 3300 - Expenditures and Purchases)
(cf. 3430 - Investing)
(cf. 9000 - Role of the Board)

The Superintendent or designee shall provide the Board with financial reports throughout the year in accordance with law and as otherwise requested by the Board.

The Superintendent or designee shall ensure that all financial reports are prepared in accordance with law and in conformity with generally accepted accounting principles and financial reporting standards stipulated by the Governmental Accounting Standards Board and the California Department of Education.

(cf. 3400 - Management of District Assets/Accounts)
(cf. 3440 - Inventories)

The Board shall regularly communicate the district's financial position to the public and shall use financial reports to determine what actions and budget amendments, if any, are needed to ensure the district's financial stability.

If district conditions predict fiscal distress or indicate that the district might not be able to meet its fiscal obligations, the Board and Superintendent or designee shall act quickly to identify and resolve these conditions. The Board shall work cooperatively with the County Superintendent of Schools to improve the district's fiscal health and may contract with an external individual or organization to advise the district on fiscal matters.

***Note: When a district is fiscally insolvent and is considering applying to the state for an emergency apportionment that exceeds 200 percent of the recommended reserve for that district, Education Code 41326, as amended by AB 2525 (Ch. 896, Statutes of 2004), requires the Board to first discuss the need for that apportionment at a regular or special meeting. At that meeting, the Board must receive testimony from parents/guardians, exclusive representatives of employees, and other community members. If the district receives such an apportionment, it is

subject to the conditions set forth in Education Code 41326, including assumption of all the Board's legal rights, duties, and powers by a state-appointed administrator.***

Audit Committee

The Board may establish an audit committee composed of staff knowledgeable in fiscal matters, other staff, and representatives of the community. The committee shall serve in an advisory capacity to the Board and shall:

1. Make recommendations regarding the selection of the external independent auditor

2. Review the plan for the audit process with the independent auditor to determine the adequacy of the nature, scope, and timetable of the audit

3. Review the results of the audit and participate with the independent auditor and management in preparing final recommendations and responses

4. Participate with the independent auditor in presenting the audit report to the Board

5. Review Board policies and administrative regulations to recommend any revisions needed to ensure effective financial reporting

6. Provide input on the effectiveness of the independent auditor

7. Periodically report to the Board regarding the status of previous audit recommendations for improving the accounting and internal control systems

(cf. 1220 - Citizen Advisory Committees)

Fiscal Policy Team

The Board may establish a fiscal policy team to periodically review the district's fiscal policies and procedures and advise the Board regarding long-range fiscal management plans. The fiscal policy team may be assigned to examine the fiscal and economic information needs of the district, the impact of budget allocations on district priorities, the financial health of the district, or other duties specified by the Board. The team shall work with the district's budget and audit committees and appropriate staff in carrying out its functions.

Legal Reference:
EDUCATION CODE
14500-14508 Financial and compliance audits
17150 Public disclosure of non-voter-approved debt
33127 Standards and criteria for local budgets and expenditures
33128 Standards and criteria; inclusions

33129 Standards and criteria; use by local agencies
35035 Powers and duties of superintendent
41010-41023 Accounting system
41326 Emergency apportionment
41344 Repayment of apportionment significant audit exceptions
41344.1 Appeals of audit findings
41455 Examination of financial problems of local districts
42100-42105 Requirement to prepare and file annual statement
42127.6 School district operations monitoring; financial obligation nonpayment
42130-42134 Financial reports and certifications
42140-42142 Public disclosure of fiscal obligations
GOVERNMENT CODE
3540.2 School district; qualified or negative certification; proposed agreement review and comment
16429.1 Local agency investment fund
53646 Reports of investment policy and compliance
CODE OF REGULATIONS, TITLE 5
15070 Submission of reports using standardized account code structure
15453-15463 Criteria and standards for school district interim reports

Management Resources:
CSBA PUBLICATIONS
Maximizing School Board Governance: Fiscal Accountability, 2005
CDE COMMUNICATIONS
1208.00 Audit Resolution Process: Repayment Plans
GOVERNMENTAL ACCOUNTING STANDARDS BOARD
Statement 34, Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments, June 1999
Statement 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, June 2004
U.S. GENERAL ACCOUNTING OFFICE AND PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY (PCIE) PUBLICATIONS
Financial Audit Manual, revised 2003
STATE CONTROLLER PUBLICATIONS
Standards and Procedures for Audits of California K-12 Local Educational Agencies (annual publication)
WEB SITES
CSBA: http://www.csba.org
California Association of School Business Officials: http://www.casbo.org
California County Superintendents Educational Services Association: http://www.ccsesa.org
California Department of Education, Finance and Grants: http://www.cde.ca.gov/fg
Education Audit Appeals Panel: http://www.eaap.ca.gov
Fiscal Crisis and Management Assistance Team: http://www.fcmat.org
Governmental Accounting Standards Board: http://www.gasb.org

School Services of California: http://www.sscal.com
State Controller's Office: http://www.sco.ca.gov
U.S. Government Accounting Office: http://www.gao.gov

CSBA: (7/01 7/03) 11/04

CVUSD Global Adoption: August 19, 2008