

AP 6300 Fiscal Management

References:

Education Code Section 84040(c);
Title 5 Section 58311;
ACCJC Accreditation Standard III.D.9 (*formerly III.D.2*);
2 Code of Federal Regulations Parts 200.302(b)(6)-(7), 200.305, and 200.400 et seq.

Fiscal Management

- Internal control procedures will be developed and followed;
- Fiscal objectives, procedures, and constraints will be communicated to the Board and employees through a variety of methods including meetings, professional development training, procedure manuals, memos and e-mails;
- The Datatel purchasing system will not allow end users to submit purchase requisitions unless there is available funding;
- The management information system will be accurate and reliable through various processes, procedures and contingency plans developed by the MIS Department;
- Responsibility and accountability for fiscal management will be clearly delineated through organizational charts and job descriptions.
- The District will follow appropriate fiscal procedures and implement adequate controls to ensure that established fiscal objectives are met.
- If significant changes in the fiscal environment occur, the CBO, in conjunction with Executive Cabinet, will evaluate these changes and formulate a specific course of action/adjustment to address the individual situation.
- The CBO will develop both short and long term projections based on the institutions short and long term goals and objectives as defined in the District's planning documents. CBO will provide broad based input on financial matters which is coordinated with institutional goals and objectives.
- The District will pursue asset management opportunities and will provide for effective management of District assets.
- Cash reserves will be monitored to ensure adequate cash flow.
- Prior to making short or long term commitments, revenue sources for the commitments will be identified.
- District will maintain a current plan for repair and replacement of equipment and facilities, and budget for such expenditures annually.

Books and Records

The books and records of the District shall be maintained pursuant to the California Community Colleges Budget and Accounting Manual (BAM). In addition, Generally Accepted Accounting Principles will be followed. The general ledger and all accounting practices will comply with the BAM. The district will follow a modified accrual basis of fund accounting, and will establish separate funds as needed. District monies will be received, recorded and accounted for in the Business Services Office. All operating expenses will be charged to the fiscal year in which they are incurred. All grant and categorical transactions will be in compliance with applicable State and Federal regulations.

Capital Outlay Funds may be used for any of the following purposes:

- Acquisition or construction of new capital facilities (e.g., land, buildings, site improvements).
- Improvements or extensions to the life of existing capital facilities, including major repair and remodeling projects such as Scheduled Maintenance and Special Repair (SMSR) as defined in Education Code Section 84660.
- Initial equipping of buildings (library books, furniture, fixtures, classroom supplies, etc.).
- Significant capital equipment purchases.

Reporting

Business Services will present monthly financial reports to the Board of Trustees in open session from approximately October to June of each year, depending on the date of the final budget adoption. In addition, the Chancellor's Office CCFS311Q (quarterly financial report) and CCFS311A (annual financial report) shall be presented to the Board of Trustees in open session.

NOTE: *Written procedures under the U.S. Education Department General Administrative Regulations (EDGAR) Second Edition, Subpart E Cost Principles, is **legally required** for those districts that receive federal funding. Districts should include their local practice for the following procedures that are required under EDGAR Second Edition.*

- Procedures for determining allowability of costs in accordance with EDGAR Second Edition Subpart E Cost Principles.
- Procedures to implement the requirements of 2 Code of Federal Regulations Part 200.305 governing payments.

Reviewed by the Board of Trustees: June 13, 2018