

# Business Services

Audit and Compliance Workshop Presentation  
Thursday and Friday, April 22 & 23, 2021  
10:00-12:00pm





# WELCOME



# Agenda



10:00-10:05	Welcome	Sharlene Coleal	Vice-President, Business Services
10:05-10:35	Audit Presentation	Brandon Harrison	Audit Partner, Eide Bailly, LLP
		Emily Sheldon	Audit Manager, Eide Bailly, LLP
10:35-10:40	Overview	Jason Hinkle	Associate Vice-President, Business Services
10:40-11:00	Contracts/Procurement	April Graham	Director, Contracts, Procurement & Risk Management
11:00-11:20	Fiscal Services	Jason Hinkle	Associate Vice-President, Business Services
		Balbir Chandi	Director, Fiscal Services
11:20-11:40	Payroll	Roy Castillo	Director, Payroll Services
11:40-11:50	Grants/Categoricals	Carolyn Shaw	Director, Grants & Categorical Accounting
11:50-12:00	Q & A		



**CPAs & BUSINESS ADVISORS**

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# **SANTA CLARITA COMMUNITY COLLEGE DISTRICT**

Community College Audit and Fiscal Compliance Workshop



# AUDIT OVERVIEW

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An annual financial statement and compliance audit of California Community College Districts is required by:

- California Education Code: *Section 84040 (b)*
- District Board Approved Policies
- California Community Colleges Chancellor's Office: *Contracted District Audit Manual*
- Federal Single Audit Compliance Regulations: Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Guidance (2 CFR 200)*

# AUDIT OVERVIEW

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Guidance for audit procedures is provided by

- *Government Auditing Standards* issued by the Comptroller General of the United States,
- *Statements on Auditing Standards* issued by the Auditing Standards Board designated by the American Institute of Certified Public Accountants
- *Contracted District Audit Manual* issued by the California Community Colleges Chancellor's Office
- Title 2 U.S. Code of Federal Regulations Part 200, subpart F, *Uniform Guidance (2 CFR 200 F)* – OMB Compliance Supplement



# **RESPONSIBILITIES OF THE DISTRICT**



# RESPONSIBILITIES OF THE DISTRICT

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- Establish a system of sound internal controls to ensure compliance with internal policies, fiscal standards and regulatory compliance requirements.
- Establish a system of monitoring and oversight to ensure internal controls are functioning.
- Communicate throughout the organization a tone of fiscal responsibility, compliance with laws and regulations and compliance with the established procedures.
- Communicate with the auditors any known deviations resulting in noncompliance.
- Communicate with the auditors any known fraud.

# RESPONSIBILITIES OF THE DISTRICT

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- District is responsible for compliance with established procedures whether or not the Auditors identify the procedure as subject to testing.
- Create an open line of communication throughout the District to ensure compliance:
  - Individuals should report to their Department Head or Dean
  - Department Head or Dean should report to the appropriate Vice President
  - Vice Presidents should report and communicate with the Executive Cabinet and establish internal corrective action plans.
  - Communicate uncorrected deficiencies and new concerns to the Auditors



# KEY AUDIT AREAS

# KEY AUDIT AREAS

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1

## **Internal controls**

Interview key personnel over significant areas of the audit. Sample and test transactions to ensure there are proper controls in place. Communicate with management any deficiencies.

2

## **Financial statements**

Audit significant balances recorded in the Annual Financial & Budget Report (311). Sample and test support to the year end balances to ensure they are reasonably stated.

3

## **State compliance**

There are specific areas of compliance that are noted in the CDAM. Most compliance areas affect the calculation of FTES or students served for funding from the state.

4

## **Federal compliance**

A college is subject to federal regulations, 2 CFR 200 Uniform Guidance, when receiving federal grants. Each grant may have its own specific regulations and requirements.

# STATE COMPLIANCE

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- **New compliance areas for 20/21:**
  - SCFF Supplemental Allocation Metrics
  - SCFF Success Allocation Metrics
  - COVID-19 Block Grant Expenditures
- **Changes to compliance areas for 20/21:**
  - Section 427 – Dual Enrollment (CCAP and Non-CCAP)
    - Added language related to SB 554 (Roth, 2019)
    - Non-CCAP special part time students may enroll in up to 11.00 units
- **Deletions for 20/21:**
  - Section 439 – Proposition 39 Clean Energy Fund

# SCFF SUPPLEMENTAL ALLOCATION METRICS

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- The supplemental allocation is computed for each community college district based on total points earned by the district. Districts are granted one point for each student who, in the prior year, received a Federal Pell Grant, a California College Promise Grant, or who are granted an AB 540 nonresident tuition fee waiver.
- Each district shall accurately report supplemental metrics data (headcount) to the Chancellor's Office through MIS and the CCFS-320 online reporting system.



# SCFF SUCCESS ALLOCATION METRICS

- The success allocation is computed for each community college district based on the total points earned. Districts are granted points for specific student outcomes, with additional points for those that also received a Pell or Promise Grant.
- Measures include: associate degrees for transfer granted, associated degrees granted (excluding ADTs), baccalaureate degree granted, credit certificates (16 units or more) granted, completion of transfer-level mathematics and English courses within first academic year of enrollment, successful transfer to four-year university, completion of nine or more CTE units, attainment of regional living wage.
- Each district shall accurately report student success metrics data (headcount) to the Chancellor's Office through the MIS online reporting system.

# SCFF SUCCESS ALLOCATION METRICS (SAMPLE)

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## *Student Success Allocation (State Categoricals - DSPS, SSSP, Student Equity, etc.)*

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Has established a hierarchy of personnel with designated personnel assigned to particular duties

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- Within the categoricals, we have multiple layers of people who work within the specific offices. The first level includes individuals who work with our students, as each employee ensure we meet the needs of the students. These are our specialists and technicians. They verify all data and collect the paperwork from our students. We then have analysts who pull the reports and verifies all data in the submission. Then the directors of each categorical area will have a final review before and after all submissions are complete. Our MIS office will query any errors and send to the directors for corrections prior to submissions.
- 

Has communicated data management expectations to all sites and applicable personnel

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- Each year, we host a training for all data submissions and audits. The directors of the various programs are responsible for informing their staff of the importance of data management.
- 

Does not rely on one individual trained on a particular task. Allows for cross training so that the department has the training and knowledge to continue if an employee leaves

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- Cross training happens within each office. The technicians are trained to be able to assist in different areas. We also have manuals for each position for an employee to know the daily, weekly, monthly tasks of each person within the office.
-

# COVID-19 BLOCK GRANT EXPENDITURES

- The COVID-19 Block Grant is comprised of one-time Proposition 98 funds and federal Coronavirus Relief Funds (CRF), a component of the CARES Act.
- The funds should be used on activities that directly support student learning, continuity of education, and mitigate learning loss related to COVID-19.
- The CARES Act provides that payments from the CRF Fund may only be used to cover costs that:
  - Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
  - Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
  - Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

# FEDERAL COMPLIANCE

- 2 CFR 200, Uniform Guidance, provides guidance on administrative requirements, cost principles, and audit requirements for federal awards.
- Federal program audits are known as “Single Audit”
- There are two objectives when performing a single audit
  - Controls over compliance
  - Compliance with federal regulations and requirements
- There are two different types of compliance requirements: general and program-specific.
- Internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” [Green Book] issued by the Comptroller of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

# FEDERAL COMPLIANCE

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- Federal compliance areas of focus
  - Activities Allowed or Unallowed
  - Allowable Costs
  - Cash Management
  - Eligibility
  - Equipment Management
  - Matching, Level of Effort, and Earmarking
  - Period of Performance
  - Procurement, Suspension, & Debarment
  - Program Income
  - Reporting
  - Subrecipient Monitoring
  - Special Tests and Provisions

# FEDERAL COMPLIANCE

- **Student Financial Aid**
  - Requirements subject to audit in the 2020 OMB Compliance Supplement
    - Enrollment Reporting – Program Level Records
  - Requirements potentially subject to audit in the 2021 OMB Compliance Supplement
    - Distance Education
- **Higher Education Emergency Relief Fund (HEERF)**
  - Requirements subject to audit in the 2020 OMB Compliance Supplement Addendum
    - Student Aid Portion – disbursements made directly to students
    - Institutional Portion – expenditures to cover any costs associated with significant changes to the delivery of instruction to the coronavirus.
- **Coronavirus Relief Fund (CRF)**
  - Requirements subject to audit in the 2020 OMB Compliance Supplement Addendum
    - Necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
    - Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
    - Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.



# QUESTIONS?

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This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.

# THANK YOU

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**CPAs & BUSINESS ADVISORS**

# When Does The Audit Take Place?



## Timeline of the 2020-2021 District Audit

- April 2021                      Audit Workshop
- May 2021                      Entrance Conference with Board Member
- May 24-27, 2021          Interim Audit
- October 2021                Auditors Virtually on Campus for Final Audit
- December 2021            Auditors Finalize Audit and District Writes MD&A
- Dec 31, 2021              Auditor Submit Final Audit to State Chancellor's Office
- January 2022                Board of Trustees Approves Final Audits



## The District is Fiscally Dependent on LACOE

- All checks are cut through LACOE, we don't create own checks
- Must comply with Title V and Education Code
- Provides an additional layer of checks and balances to the work we do



# What Documents Are Reviewed in an Audit?



- Chart of Accounts
- Board Policies Related to Financial Activities
- Written Desk Procedures
- Quarterly Financial 311-Q Reports
- Latest Accreditation Report
- Documents for New Debt Issuances
- Retiree Actuarial Study
- Bank Statements
- Schedule of Capital Leases
- List of Any Cash Accounts on Campus
- Cash Receipt Logs
- List of All Capital Assets and Tracking Log
- Depreciation Log for All Assets
- Arbitrage Calculations
- Grant Regulations and Guidelines
- SEFA and SESA for all Grant Expenditures
- List of Every Check Processed
- List of Every Employee Who Paid Into STRS/PERS
- District Payroll Registers
- Final Trial Balances for All Funds
- Employee Reimbursements
- Award letters
- Grant Reports
- Time and Effort Studies
- Federal Equipment Inventory
- Suspension and Debarment Documentation

## WHAT ABOUT ME?

- Invoices
- Requisitions
- Purchase Orders
- Contracts
- Time Sheets
- Hiring Paper Work

# Who is Involved in a Successful Audit?



# EVERYBODY!!!!







# Contracts, Procurement & Risk Management

April Graham - Director

## What Could Go Wrong?



- **“Confirming” Requisitions**
  - No Approval by Approvers
  - Order Not Placed by Purchasing
  - Sufficient Budget Not Confirmed
  - Funds Not Encumbered by Requisition
  - Over the Bid Limit
- **Gift of Taxpayer Funds**
  - Promotional Giveaway Items
  - Gift Cards
  - Food & Beverage
  - Personal Items (T-Shirts, Tote Bags)
- **Conflict of Interest**
  - District Employee, Family/Friend-Owned Business
  - Appearance of Impropriety
- **Unallowable Purchases Including But Not Limited To:**
  - Alcohol, Gifts, Donations, Personal Items
  - Signature Stamps
  - Items Not Received in Same Fiscal Year
  - Not Beneficial to Grant (if Grant-related)
  - Not Instruction (if Lottery funds) (ex. M&Ms)



## What Do I Need To Do?

- **Follow the Purchasing Process to Ensure:**
  - Reviewers have reviewed the Requisition
  - Approvers have approved the Purchase
  - Budget transfer to ensure sufficient funds
  - Internal stakeholders are consulted (Tamis Equip/Furn Request Form)
  - Appropriate object code used (Supplies vs. Equipment, Other Expenses)
  - Funds are encumbered when Requisition is submitted
  - Fair & ethical process - Do not purchase from employees, family members, friends
  - Spending of taxpayer funds is tied to the mission of the District
  - Best price, warranty, order tracking, and returns (if necessary)
  - Order is placed by Purchasing
  - Payment is made only after goods have been received



## How Do I Remain Compliant?

Obtain 3  
quotes

Follow the Purchasing Process!



Complete  
Vendor Form  
and  
Draft Contract  
(if needed)



Requisition  
Entered and  
Approved



Purchase  
Order Created



Order Placed  
by Purchasing



Order  
Received



Invoice  
Approved and  
Sent to Fiscal



## Food & Catering

THERE MUST BE AN OBVIOUS CONNECTION TO THE EDUCATION OF DISTRICT STUDENTS



Fund 11 **CANNOT** be used for:

- Entertainment or social purposes
- Employee gatherings (e.g. staff meetings, birthday parties)
- Meetings attended solely by District employees



Fund 11 **CAN** be used for:

- Food for meetings for the purpose of conducting school business (e.g. curriculum meeting during lunch)
- Food for students that contribute to the educational process (e.g. during testing)
- Employee learning (e.g. training workshops, Board meeting dinners)
- Conducting official District business with non-District employees
- District employees and/or students gathering “as a whole” or “en masse” for a special District event (e.g. Opening Day, Orientation)

## Supporting Documents to Maintain:

- Vendor Form
- Contract (if applicable)
- Three Quotes (OnBase)
- Approved Requisition (Colleague)
- Approved Purchase Order (Colleague & OnBase)
- Approved Invoice (Hard copy)

## Resources:

- Requisition Checklist
- Purchasing Handbook
- Purchasing Intranet Webpage
- District Policies and Procedures (BP/AP 6330 & 6340)
- Department Budget
- Purchasing Department Ext. 3476

**Good Stewardship of  
Taxpayer Dollars  
Begins with You!**







## Purchasing Handbook

*A Guide for Purchasing Goods and Services for  
the Santa Clarita Community College District*

Contracts, Procurement, and Risk Management Services  
University Center Building, Suite #257  
26455 Rockwell Canyon Road  
Santa Clarita, CA 91355

Revised April 2021



### REQUISITION CHECKLIST

Departments must submit a Requisition to initiate a Purchase Order. While creating a Requisition, the checklist below should be referenced to ensure all of the required documentation and information has been included. If any items are marked "NO," the Purchasing department will contact you, which will cause a delay in your Purchase Order.

#		YES	NO	N/A
STEP A - REVIEW QUOTE				
1	Vendor information on quote matches the Vendor information in Colleague. If there are discrepancies, clarify with vendor and/or request new Online Vendor Form.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	District's <i>BILLING</i> address is 26455 Rockwell Canyon Road, Santa Clarita, CA 91355.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	District's <i>SHIPPING</i> address is 25000 Valencia Blvd., Santa Clarita, CA 91355.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Quote will <u>not</u> expire within 30 days of Requisition Date.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Three written quotes have been obtained for purchases over \$5,000.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	All quotes are successfully uploaded to OnBase.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	If equipment, Tamis request is submitted (not required for technology equipment).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
STEP B - REVIEW REQUISITION "REQM" SCREEN				
8	"Ship To" contains Initiator Name, Department, Building, and/or Room Number**. Examples: For Goods - Warehouse/A.Graham/UCEN-257 For Other Types - Services/D.Gonzalez/Purchasing, Software/M.Gallagher/IT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	"Ship Via" contains appropriate shipping method**. Examples: For Goods - BW (Best Way), FE (FedEx), UP (UPS), OT (Own Truck), etc. For Services, Software, Memberships, Etc. - NA (Not Applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	If applicable, confirm Software has been approved by IT and Contracts (software, operating systems, web-based applications, etc.).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	"Approvals" includes all applicable Reviewers based on type of purchase**:			

## What Could Go Wrong?



- **No Contract Prior to Start of Services**
  - Work Not Performed as Expected
  - Payment Disputes
  - Services Not Completed On Time
  - No Protection if there is an Accident
- **Unauthorized Signatory**
  - Contract Not Legally Bound
  - Obligation of the Person Signing
  - LACOE Will Not Pay the Vendor
- **Non-Compliance**
  - California Constitution Codes
  - California Education Codes
  - California Public Contract Codes
  - California Government Codes
  - District Policies and Administrative Procedures
- **Not an Independent Contractor**
  - Must Meet Certain Requirements
  - Cannot be an Employee
  - Need to Provide Their Own Supplies
- **Other Risks**
  - Inaccessible Software
  - No Coverage Data Breach
  - Miss Retiree Reporting to STRS/PERS



## *What Do I Need to Do?*

### **Complete the Request For Contract (RFC) Form to Ensure:**

- Contract is valid and binding
- Services are performed on-time and as expected
- Payment is not disputed
- Internal stakeholders are consulted
- District is protected by indemnification/insurance if there is an accident
- Background check is completed (if necessary)
- Contract is signed by a District-authorized representative
- Payment is not questioned by LACOE auditors
- Independent Contractor requirements are met
- Retiree requirements are met
- Software can be accessed by all persons
- District data is protected



# Contracts



## Supporting Documents to Maintain:

- Vendor Form
- Contract
- Guest Speaker Request Form (if applicable)
- If Software:
  - Voluntary Product Accessibility Template (VPAT)
  - Data Security Questionnaire (DSQ)
- Three Quotes (OnBase)
- Insurance Certificate
- Approved Requisition (Colleague)
- Approved Purchase Order (Colleague & OnBase)
- Approved Invoice (Hard-copy)

A graphic with a dark, blurred background of city lights at night. The quote is centered in white text.

**A verbal contract isn't worth  
the paper it's written on.**

Samuel Goldwyn

quoteancy

## Resources:

- District Policies and Procedures (BP/AP 6330 & 6340)
- Contracts Intranet Webpage
- Department Budget
- Contracts Department Ext. 3476





# Fiscal Services

## Balbir Chandi- Director

# Cash and Check Management



## What Could Go Wrong?

- Theft, fraud and embezzlement from not safeguarding checks and cash
- Revenue recorded in incorrect fiscal year can result in misstatements and audit findings
- Inaccurate revenue accruals can create District liability
- Audit findings
- Loss of future funding opportunities



## Resources:

- District Policies and Procedures (BP 6520 AP 6520)
- Departmental cash handling procedures
- Department budget
- General ledger
- Fiscal Services department accounts receivable contact person

## What Do I Need To Do?

- Never leave cash unattended
- Never send cash via interoffice mail
- Keep cash in secured lock box or drawer
- Always use dual cash counting
- Keep copies of receipts issued by Fiscal
- Minimize cash handling and access
- Ensure proper segregation of duties
- Provide budget account number, department name, date and submitted cash amount
- Review general ledger posting to confirm appropriate fund, department and revenue/expense abatement account were used





# Accounts Payable



## What Could Go Wrong?

- Improper approval of invoices resulting in mistaken or fraudulent payments
- Late payments resulting in penalties
- Duplicate payment to vendor
- Incorrect estimates of payments at year-end resulting in liability misstatements
- Audit findings

## Resources:

- District Policies and Procedures (BP 6330 AP 6330)
- Department budget
- General ledger posting to appropriate fund, department and expense account
- Fiscal Services department Accounts Payable contact person

## What Do I Need To Do?

- Always verify services or goods have been received
- Always match PO to invoice
- Always get authorized signature for approval on invoice for payment
- Never create an invoice for a vendor
- Always provide appropriate supporting documents with approval (signed contract)

All Items Received / Services Rendered  
Approved for Payment

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Signature

# Business Travel



## What Could Go Wrong?

- Using District funds for personal expenses
- Incurring excessive or unauthorized costs
- Duplicate or false reimbursements resulting in expense reimbursement fraud
- Non-compliance with Board policies or terms resulting in reimbursement delays or non payment
- Audit findings

## Resources:

- District Policies and Procedures (BP 6395 AP 6395)
- Department budget
- General ledger posting to appropriate fund, department and expense account
- Fiscal Services department Employee Travel contact person

## What Do I Need To Do?

- Always submit travel authorization prior to travel dates
- Never travel without prior District approval
- Always follow the travel policies and procedures to ensure no unauthorized expenses are made
- Always keep original receipts and documentation for reimbursement request after traveling
- Submit Request for Advance of Funds with supporting documentation and required signatures
- Submit Travel Reimbursement - within 30 days of travel with original itemized receipts (including breakdown of hotel bills and meals)
- Submit Request for Mileage Reimbursement in Connection with School Business with required signatures after travel is completed





# District Credit Cards



## What Could Go Wrong?

- Unallowable purchases made by an authorized user
- Unauthorized users making erroneous, fictitious or fraudulent purchases
- Untimely review of credit card statements resulting in late payment fees
- Audit findings

## Resources:

- District Policies and Procedures (AP 6396)
- Acknowledgement form
- Department budget
- General ledger posting to appropriate fund, department and expense account
- Fiscal Services department US Bank Accounts Payable contact person

## What Do I Need To Do?

- Only use District credit card for travel related to District business
- Never give your card to others to make purchases
- Always keep original receipts
- Always perform a timely review of your credit card statements
- Follow Administrative Procedure to ensure authorized purchases
- Provide proper budget account number for each purchase by card holder





# District Owned Equipment



## What Could Go Wrong?

- Failure to provide proper budget account for acquisitions resulting in misstatements of equipment
- Purchase recorded in incorrect year
- Non-performance of physical inventories could result in theft and fraud
- Non-compliance with District policies and procedures and external regulations
- Audit findings

## Resources:

- District policies (BP and AP 6510 6535 6550)
- Department budget
- External regulations (GASB 35)
- Fiscal Services department Asset Inventory contact person
- Purchasing department contacts

## What Do I Need To Do?

- Always use the proper general ledger account to follow capitalization policy ( $\geq 5,000$ )
- Always verify equipment has been received
- Always apply assigned asset tag to equipment ( $> \$500$ ) in visible location
- Never purchase equipment for personal use
- Perform routine physical inventories of District equipment
- Always follow District policies and procedures for acquisitions
- Always submit surplus request form for Disposals





# Payroll Services

## Roy Castillo- Director



# Personnel Requisition Form (PRF) not submitted or not submitted timely



## What could go wrong?

- Work performed by non-employee
- Work performed but not authorized
  - FTE change, classification change
- Unbudgeted expense to the district
- Audit Finding

## Resources:

- Human Resources Department
- Board policy 7110
- Intranet Human Resources Department Page

## What do I need to do?

- Ensure PRF is created for applicable scenarios
  - Always contact Human Resources Department (HR) for assistance
- Submit timely which enables timely application
- Maintain a copy of Personnel Requisition Form
- Maintain a copy of Personnel Action Form
- Ensure board approval before allowing employee to proceed
  - Get the okay to proceed from HR



# Leave Requests not submitted timely or submitted with errors



## What could go wrong?

- Overpayment or underpayment to employee
- Inaccurate leave balances
- Vacation leave liability
  - Material misstatement
- Audit finding

## Resources:

- My Canyons
- Statement of Absence Form
- Payroll Department
- Board Policy 7340
- Contract language

## What do I need to do?

- Ensure employees submit any and all leave requests in a timely manner
- Approve leave requests in a timely manner
- Retain leave approval email as confirmation backup
- Maintain division copy of NCR form (Faculty)
- Maintain any other supporting documentation





# Request for Overtime Approval Form not submitted



## What could go wrong?

- Unauthorized overtime performed
- Unexpected expense to the district
- Overtime charged to incorrect budget
- Audit finding

## What do I need to do?

- Ensure pre-authorization form is completed, reviewed, and signed to certify accuracy (both employee and supervisor)
- Reconcile form to timesheet
- Maintain a copy of the form submitted
- Maintain any supporting documentation

## Resources:

- Intranet Payroll Forms
- Payroll Department
- Board Policy 7130
- Contract language





# Timesheets not submitted timely or submitted with errors



## What could go wrong?

- Overpayment or underpayment to employee
- Pay not issued on time
- Penalties and Interest could be incurred by the district
- Issues with CalSTRS / CalPERS

## Resources:

- Payroll Due Dates Memo
- Intranet Payroll Department Page
- Board Policy and contract language
- Payroll Department

## What do I need to do?

- Reconcile timesheet and ensure leaves and additional time worked is reported
- Review for accuracy before signing (both employee and supervisor)
- Ensure employee signs
- Submit timesheet by payroll due date
- Maintain copies of approved timesheets sent to payroll
- Maintain leave submission and approval backup



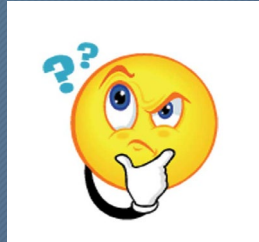


# Grants & Categorical Accounting & Fiscal Compliance

Carolyn Shaw - Director



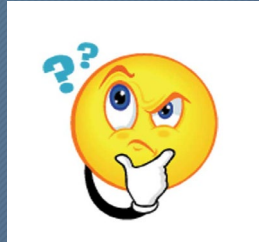
## What Can Go Wrong?:



### ➤ Grant Expenditures Are Not Compliant Resulting in District or Personal Liability:

- Unallowable purchases ( Ex: Gifts, personal items)
- Unallowable salary and benefits ( Ex: Charging an employee to a grant who does not support the grant)
- Unauthorized work ( Hiring process not followed)
- Unallowable Travel ( Ex: Travel that does not support the outcomes of the grant)
- Expenses outside of awarding period
- Supplanting (Ex: Using grant funds to pay for a renewal license that was previously supported from another funding source)
- Gift of taxpayer funds

## What Can Go Wrong?:



- **Failure to Comply with District Policy and Procedure Resulting in District or Personal Liability :**
  - Confirming Purchase Orders
  - Travel not authorized
  - Travel Reimbursement/Direct pay reimbursement unreasonable or unjustifiable = reimbursable
  - Contracts not initiated for grant related activities
- **Conflict of Interest Form Not Completed**
  - Puts current and future grant funding in jeopardy



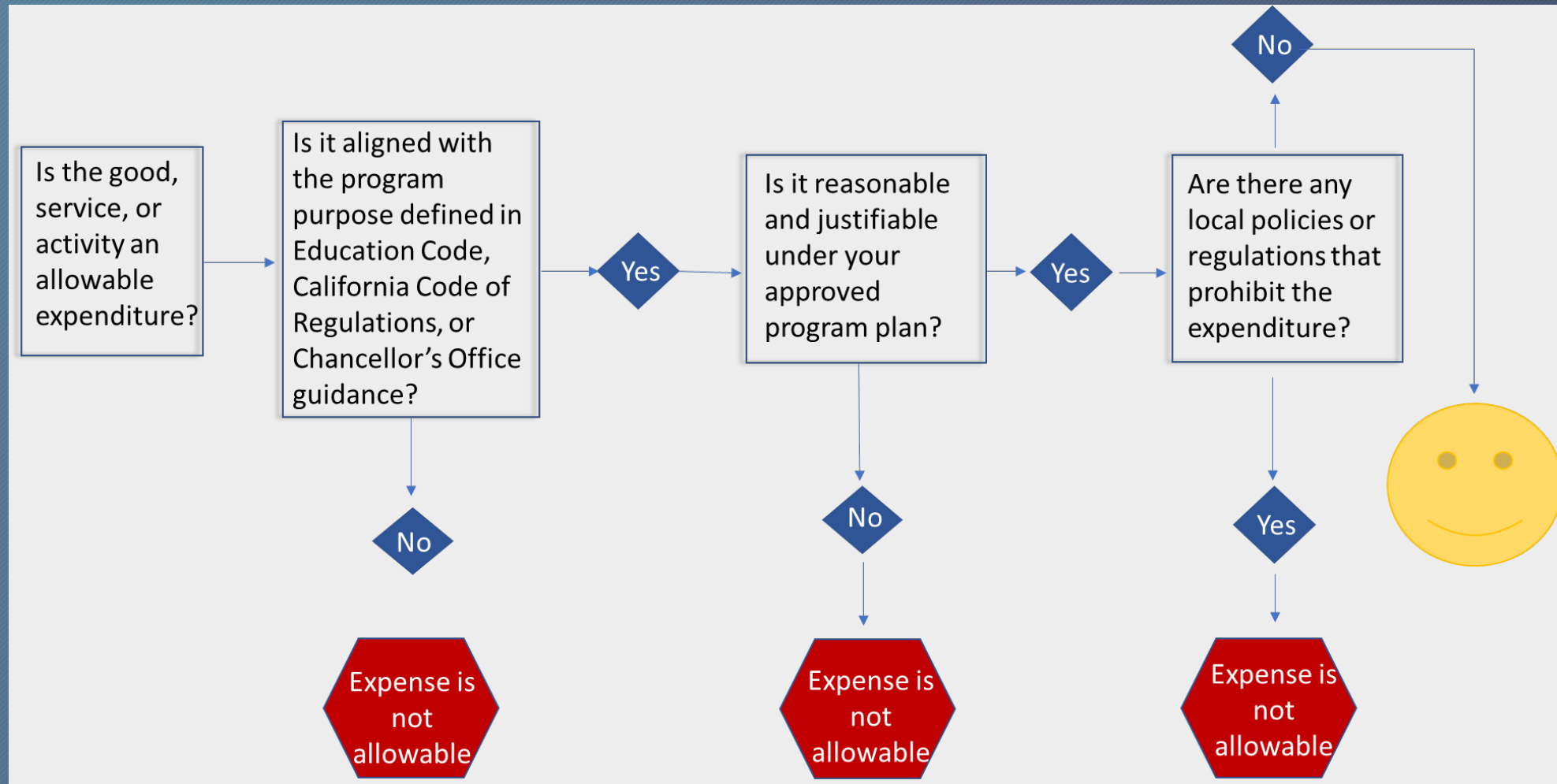
## What Do I Need To Do?

- Always ensure expenses are Reasonable, Justifiable and specifically for the grant
- Always review and ensure purchases support the grant when approving requisitions and purchase orders
- Always review and ensure personnel worked for grant when completing and approving hiring forms
- Always review and ensure travel is necessary to the grant outcomes when completing and approving travel forms
- Ensure regular monitoring of expenses for grant compliance through ongoing Datatel review
- When approving expenditures, review prior years to identify where items were purchased. ( Supplanting)
- Review District Policy and Grant Guidelines
- Review Legal Terms and Conditions of your grant
- Review OMB Circular for grant guidelines
- Review Grant award letter
- Complete and submit Statement of Financial Interest form





## Expenditure Decision Tree



## Reasonable and Justifiable

- All expenditures should be reasonable and justifiable
  - “Reasonable” means expenditures are prudent and every effort is made to utilize funds efficiently
  - “Justifiable” means expenditures are consistent with goals and activities related to your specific grant
- Colleges encouraged to develop policies/procedures to document and justify program expenditures



## Supplanting

Funds spent on these programs should supplement, not replace, general or state categorical (restricted) district funds expended on similar program activities prior to the availability of program funding. This restriction applies to categorical programs and any other federal, state, and county programs.





## How Much Federal Stimulus Funding Have We Received?

• COVID Block Grant – Federal	\$ 801,000
• COVID Block Grant – State	\$ 983,000
• CARES (HEERF I)	\$ 6,200,000
• HEERF II	\$14,500,000
• HEERF III	<u>\$25,200,000</u>
• <b>TOTAL Federal Stimulus Funding</b>	<b>\$47,700,000</b>

## What Else Can HEERF III Funding Be Used For?

- One-Time Flexible Funding Distributed Directly to Institutions of Higher Education to Help With Immediate Needs Related to Coronavirus, Including:
  - Defraying Expenses Associated with Coronavirus
    - Lost Revenue
    - Reimbursement for Expenses Already Incurred
    - Technology Costs to Transition to Distance Education
    - Declining Enrollment – Related Costs to Mitigate Declines
    - Student Support Activities Authorized by HEA to Address COVID-19 Needs
    - Closure of Revenue Producing Services and Facilities
    - COVID-19 Testing, Vaccination, PPE and Classroom Retrofits



## Resources:



It's OK to get help

- District Policies and Procedures (BP 6330 AP 6330, BP 3280 AP 3280, BP 3854 AP 3854, BP 6340 AP6340)
- Code of Federal Regulations Title 2, Title 34
- Awarding agency Legal Terms and Conditions
- Grant budget
- Grant and Categorical Acct Office Ext. 3248

- All Departments/Staff Need to Consider the Following to Ensure a Successful Audit
  - District Policies and Procedures
  - Checks and Balances
  - Internal Controls
    - Requisitions vs. Invoices, Timesheets and leaves, etc.
  - Separation of Duties
    - HR vs. Payroll, Fiscal vs. Purchasing
  - Budget Control
  - Signature Hierarchy
  - Deadlines/Timelines
    - Invoices, Requisitions, Time Sheets