

CONCEPTS AND ROLES

The Lake County Office of Education recognizes that prudent financial decisions are crucial to the County Office's ability to provide a high-quality education for students. It is therefore essential that the County Office establish reliable budget development processes and adopt a responsible budget with spending priorities which reflect the County Office's vision and goals. When needed, the County Office shall advocate and seek community, state or federal support for additional financing.

(cf. 0100 - Philosophy)

(cf. 0200 - Goals for the County Office of Education)

The County Board of Education expects sound fiscal management from the administration. The County Superintendent of Schools or designee shall prepare the detailed annual budget and present it to the County Board for review and adoption. He/she shall administer the adopted budget in accordance with County Board policies and accepted business procedures.

(cf. 3100 - Budget)

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

The County Board shall monitor financial operations so as to ensure the County Office's fiscal integrity. The County Superintendent or designee shall make all required financial reports, recommend auditor(s) to the County Board, recommend financial plans for meeting program needs, and keep the County Board fully informed about the County Office's fiscal and noninstructional operations.

(cf. 3460 - Financial Reports and Accountability)

The County Board shall make every effort to ensure that the County Office provides healthy school environments and maintains high standards of safety in the operation of facilities, equipment and services. The County Superintendent or designee shall establish a risk management program that promotes safety and protects County Office resources.

(cf. 3514 - Environmental Safety)

(cf. 3515 - Campus Security)

(cf. 3530 - Risk Management/Insurance)

(cf. 9000 - Role of the Board)

Legal Reference: (see next page)

CONCEPTS AND ROLES (continued)

Legal Reference:

EDUCATION CODE

- 35035 Powers and duties of superintendent*
- 35160 Authority of governing boards*
- 35160.1 Broad authority of school district*
- 35161 Powers and duties of governing boards*
- 44518-44519.2 Chief business officer training program*

Management Resources:

CSBA PUBLICATIONS

- Maximizing School Board Governance: Understanding California's Public School Finance System, 2006*
- Maximizing School Board Governance: Budget Planning and Adoption, 2006*
- Maximizing School Board Governance: Understanding District Budgets, 2006*
- Maximizing School Board Governance: Fiscal Accountability, 2006*
- School Finance CD-ROM, 2005*

WEB SITES

- CSBA: <http://www.csba.org>*
- California Association of School Business Officials: <http://www.casbo.org>*
- California Department of Education: <http://www.cde.ca.gov>*
- Fiscal Crisis and Management Assistance Team: <http://www.fcmat.org>*
- School Services of California: <http://www.sscal.com>*

BUDGET

The Lake County Board of Education recognizes its critical responsibility for adopting a sound budget for each fiscal year which is aligned with the Lake County Office of Education's vision, goals, and priorities. The County Office budget shall guide administrative decisions and actions throughout the year and shall serve as a tool for monitoring the fiscal health of the County Office.

(cf. 0000 - Vision)

(cf. 3000 - Concepts and Roles)

(cf. 3300 - Expenditures and Purchases)

(cf. 3460 - Financial Reports and Accountability)

(cf. 9000 - Role of the Board)

The County Office budget shall show a complete plan and itemized statement of all proposed expenditures and all estimated revenues for the following fiscal year, together with a comparison of revenues and expenditures for the current fiscal year. The budget shall also include the appropriations limit and the total annual appropriations subject to limitation as determined pursuant to Government Code 7900-7914. (Education Code 42122)

Budget Development and Adoption Process

The Lake County Superintendent of Schools or designee shall establish an annual budget development process and calendar in accordance with the single budget adoption process described in Education Code 42127(i).

In order to provide guidance in the development of the budget, the County Superintendent of Schools and the County Board of Education shall annually establish budget priorities based on identified County Office needs and goals and on realistic projections of available funds.

The County Superintendent or designee shall oversee the preparation of a proposed County Office budget for approval by the County Board and shall involve appropriate staff in the development of budget projections.

The County Board encourages public input in the budget development process and shall hold public hearings and meetings in accordance with Education Code 42103 and 42127.

(cf. 9320 - Meetings and Notices)

(cf. 9322 - Agenda/Meeting Materials)

(cf. 9323 - Meeting Conduct)

The budget that is formally adopted by the County Board shall be in the format prescribed by the Superintendent of Public Instruction. The County Superintendent or designee may supplement this format with additional information as necessary to effectively communicate the budget to the County Board, staff, and public.

BUDGET (continued)

Budget Advisory Committee

The County Superintendent or designee may appoint a budget advisory committee composed of staff, County Board representatives, and/or members of the community.

The committee shall develop recommendations during the budget development process and its duties shall be assigned each year based on County Office needs. All recommendations of the committee shall be advisory only and shall not be binding on the County Board or the County Superintendent or designee.

(cf. 1220 - Citizen Advisory Committees)

(cf. 2230 - Representative and Deliberative Groups)

(cf. 3350 - Travel Expenses)

(cf. 9130 - Board Committees)

(cf. 9140 - Board Representatives)

Budget Criteria and Standards

In developing the County Office budget, the County Superintendent or designee shall analyze criteria and standards adopted by the State Board of Education which address estimation of funded average daily attendance (ADA), projected enrollment, ratio of ADA to enrollment, projected revenue limit, salaries and benefits, other revenues and expenditures, facilities maintenance, deficit spending, fund balance, and reserves. The budget review shall also identify supplemental information regarding contingent liabilities, use of one-time revenues for ongoing expenditures, use of ongoing revenues for one-time expenditures, contingent revenues, contributions, long-term commitments, unfunded liabilities, and the status of labor agreements. (Education Code 33127, 33128, 33129; 5 CCR 15440-15451)

The County Board shall establish and maintain a general fund reserve for economic uncertainty that meets or exceeds the requirements of law. (Education Code 33128.3; 5 CCR 15450)

The County Board may establish other budget assumptions or parameters which may take into consideration the stability of funding sources, legal requirements and constraints on the use of funds, anticipated increases and/or decreases in the cost of services and supplies, categorical program requirements, and any other factors necessary to ensure that the budget is a realistic plan for County Office revenues and expenditures.

(cf. 2210 - Administrative Discretion Regarding Board Policy)

(cf. 3110 - Transfer of Funds)

BUDGET (continued)

Fund Balance

The County Board shall adopt a formal resolution that provides for classification of fund balances in the general fund and is compliant with Governmental Accounting Standards Board (GASB) Statement 54. The resolution also shall:

1. Establish specific steps for committing funds that cannot be used for any other purpose unless the County Board takes action to remove or change the constraint
2. Express the authority of the County Board and/or delegate authority to other person(s) to identify intended uses of assigned funds
3. Establish the order in which fund balances will be spent when multiple fund balance types are available for an expenditure
4. Address the minimum fund balance in the general fund by establishing an appropriate level of unrestricted fund balance that will be maintained in the County School Service fund, the circumstances under which the unrestricted fund balance can be spent down, and the procedure for replenishing deficiencies

The County Board reserves the authority to review and amend this resolution as needed to reflect changing circumstances and County Office needs.

Long-Term Financial Obligations

The County Office's current-year budget and multi-year projections shall include adequate provisions for addressing the County Office's long-term financial obligations, including, but not limited to, long-term obligations resulting from collective bargaining agreements, financing of facilities projects, unfunded or future liability for retiree benefits, and accrued workers' compensation claims.

(cf. 4141/4241 - Collective Bargaining Agreement)

(cf. 4143/4243 - Negotiations/Consultation)

(cf. 4154/4254/4354 - Health and Welfare Benefits)

(cf. 7210 - Facilities Financing)

(cf. 9250 - Remuneration, Reimbursement and Other Benefits)

The County Board shall approve a plan for meeting the County Office's long-term obligations to fund nonpension, other postemployment benefits (OPEBs). This plan shall include a specific funding strategy and the method that will be used to finance the County Office's annual fiscal obligations for such benefits in a manner that continually reduces the deficit to the County Office to the extent possible. The County Board reserves the authority

BUDGET (continued)

to review and amend the funding strategy as necessary to ensure that it continues to serve the best interests of the County Office and maintains flexibility to adjust for changing budgetary considerations.

When the County Superintendent or designee presents a report to the County Board on the estimated accrued but unfunded cost of OPEBs, the County Board shall disclose, as a separate agenda item at the same meeting, whether or not it will reserve a sufficient amount of money in its budget to fund the present value of the benefits of existing retirees and/or the future cost of employees who are eligible for benefits in the current fiscal year. (Education Code 42140)

Budget Amendments

Whenever revenues and expenditures change significantly throughout the year, the County Superintendent or designee shall recommend budget amendments to ensure accurate projections of the County Office's net ending balance. When final figures for the prior-year budget are available, this information shall be used as soon as possible to update the current-year budget's beginning balance and projected revenues and expenditures.

In addition, budget amendments shall be submitted for County Board approval when the state budget is adopted, collective bargaining agreements are accepted, County Office income declines, increased revenues or unanticipated savings are made available to the County Office, program proposals are significantly different from those approved during budget adoption, interfund transfers are needed to meet actual program expenditures, and/or other significant changes occur that impact budget projections.

Legal Reference: (see next page)

BUDGET (continued)

Legal Reference:

EDUCATION CODE

1240 Duties of county superintendent of schools
33127-33131 Standards and criteria for local budgets and expenditures
35035 Powers and duties of superintendent
35161 Powers and duties, generally, of governing boards
42103 Public hearing on proposed budget; requirements for content of proposed budget
42122-42129 Budget requirements
42130-42134 Financial certifications
42140-42141 Disclosure of fiscal obligations
42602 Use of unbudgeted funds
42605 Tier 3 categorical flexibility
42610 Appropriation of excess funds and limitation thereon
44518-44519.2 Chief business officer training program
45253 Annual budget of personnel commission
45254 First year budget of personnel commission

GOVERNMENT CODE

7900-7914 Appropriations limit

CODE OF REGULATIONS, TITLE 5

15060 Standardized account code structure
15440-15451 Criteria and standards for school district budgets

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Budget Planning and Adoption, 2006
Maximizing School Board Governance: Understanding District Budgets, 2006
School Finance CD-ROM, 2005

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

California School Accounting Manual

New Requirements for Reporting Fund Balance in Governmental Funds, January 7, 2011

FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM PUBLICATIONS

Fiscal Oversight Guide for AB 1200, AB 2756 and Subsequent Related Legislation, September 2006

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Best Practice: Appropriate Level of Unrestricted Fund Balance in the General Fund, 2009

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS

Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, March 2009

Statement 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, June 2004

Statement 34, *Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments*, June 1999

WEB SITES

CSBA: <http://www.csba.org>

Association of California School Administrators: <http://www.acsa.org>

California Department of Education, Finance and Grants: <http://www.cde.ca.gov/fg>

California Department of Finance: <http://www.dof.ca.gov>

Fiscal Crisis and Management Assistance Team: <http://www.fcmat.org>

Government Finance Officers Association: <http://www.gfoa.org>

Governmental Accounting Standards Board: <http://www.gasb.org>

Legislative Analyst's Office: <http://www.lao.ca.gov>

School Services of California, Inc.: <http://www.sscal.com>

BUDGET

Initial Budget Adoption

On or before July 1 of each year, the Lake County Board of Education shall adopt a budget which adheres to the state's standardized account code structure (SACS) as prescribed by the Superintendent of Public Instruction (SPI). (Education Code 42126, 42127)

Before adopting the Lake County Office of Education budget for the subsequent fiscal year, the County Board shall hold a public hearing. The agenda for this hearing shall be posted at least 72 hours before the hearing and shall indicate the location where the budget may be inspected. The proposed budget shall be available for public inspection at least three working days before this hearing. (Education Code 42103, 42127)

(cf. 9320 - Meetings and Notices)

(cf. 9322 - Agenda/Meeting Materials)

The Lake County Superintendent of Schools or designee shall publish the location, dates, and times at which the proposed budget may be inspected, as well as the location, date, and time of the public hearing, in a newspaper of general circulation at least 10 days but not more than 45 days before the hearing.

During the hearing, any resident within the jurisdiction of the County Office may speak to the proposed budget or to any item in the budget. The hearing may conclude when all residents who have requested to be heard have had the opportunity to speak. (Education Code 42103)

(cf. 9323 - Meeting Conduct)

The County Board shall file the adopted budget with the Superintendent of Public Instruction, no later than five days after adoption or by July 1, whichever occurs first. The budget and supporting data shall be maintained and made available for public review. (Education Code 42127)

(cf. 1340 - Access to District Records)

Revised Budget

No later than 45 days after the Governor signs the annual Budget Act, the County Office shall make available for public review any revisions in budgeted revenues and expenditures which are consequently necessary. (Education Code 42127)

If the Superintendent of Public Instruction disapproves the County Office's budget, the County Board shall review and respond to his/her recommendations at a public meeting on or before September 8. The response shall include any revisions to the adopted budget and any other proposed actions to be taken as a result of those recommendations. (Education Code 42127)

TRANSFER OF FUNDS

The Lake County Superintendent of Schools recognizes his/her responsibility to monitor the Lake County Office of Education's fiscal practices to ensure accountability regarding the expenditure of public funds and compliance with legal requirements.

(cf. 3100 - Budget)

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

(cf. 3460 - Financial Reports and Accountability)

The Lake County Board of Education may transfer funds during or at the end of the fiscal year in accordance with law as necessary to meet LCOE needs or to permit the payment of LCOE obligations. (Education Code 16095, 17582-17592, 42600-42603, 42605, 42841-42843, 52616.4)

Legal Reference:

EDUCATION CODE

78 Definition governing board

5200 Districts governed by boards of education

16095 Transfer of district funds to district state school building fund

17582 Deferred maintenance fund; establishment; purpose

17583 Deferred maintenance fund; transfer

17584 Budgeting certification deferred maintenance fund; apportionment

17585 Applications for deferred maintenance funding

41301 Section A state school fund allocation schedule

42125 Designated and unappropriated fund balances

42600 District budget limitation on expenditure

42601 Transfers between funds to permit payment of obligations at close of year

42603 Transfer of monies held in any fund or account to another fund; repayment

42605 Tier 3 categorical flexibility

42840-42843 Special reserve fund

52616.4 Expenditures from adult education fund

Management Resources:

WEB SITES

CSBA: <http://www.csba.org>

California Department of Education: <http://www.cde.ca.gov>

Fiscal Crisis and Management Assistance Team: <http://www.fcmat.org>

INCOME

The Lake County Superintendent of Schools recognizes that most Lake County Office of Education revenues are prescribed by law and payable through state apportionments and public tax collection. It is the intent of the County Superintendent to generate additional sources of income through the acquisition of grants, the receipt of donations and/ or by selling Department goods and/or services. Goods and/or services may include, but are not limited to:

- Professional development activities;
- Technology services and support;
- Data processing;
- Curricular support;
- Communication and media services;
- Child welfare and attendance (Truancy);
- Administrative services
- Legal Services
- Other services as appropriate.

The County Superintendent assigns responsibility for the generation of additional sources of revenue to program managers and directs that they work in collaboration with the Deputy Superintendent. The County Superintendent encourages all staff to actively participate in writing grants and promoting Department services.

The County Superintendent directs that no employee shall represent LCOE for the purpose of generating revenue without prior approval from the County Superintendent. LCOE shall provide goods and/or services only when it is economically feasible and does not interfere with its day-to-day operations.

The County Superintendent directs that approval and authorization from the requesting agency be obtained prior to providing any goods and/or services. Authorization may be made by means of a LCOE-generated memorandum of understanding or a requesting agency purchase order, letter of agreement, contract, etc.

The County Superintendent directs the County Superintendent of Business Services to ensure that all revenues are credited to the appropriate budget.

Note: Some monies collected are credited to LCOE general fund in compliance with mandates and may not be credited to a department/program.

INCOME

Billing for Goods and/or Services

An accounts receivable system has been established by the Lake County Office of Education to facilitate the timely collection of payments for goods and/or services provided to clients. Business Services is responsible for coordinating, scheduling and collecting monies owed pursuant to the purchase orders, assessments and agreements between LCOE programs and outside agencies (including districts, other county offices of education, and others).

Business Services bills outside agencies for goods and/or services based on the information submitted by LCOE departments. To facilitate the billing procedure, it is important that all LCOE departments providing goods and/or services submit the required data for billings to Business Services in a timely manner. The income realized from outside agency billings is a significant part of LCOE's budget; by working cooperatively, LCOE departments and Business Services can ensure that these critical dollars are received as projected.

When an LCOE program provides goods/services to another LCOE program, the receiving program is billed for the goods and/or services provided. As with billings to outside agencies, Business Services processes inter-program billings based on the information provided by programs.

No outside agency or LCOE program shall be billed for goods and/or services without proper authorization. Programs providing goods and/or services to clients are responsible for ensuring that authorization is obtained and that adequate documentation is submitted to Business Services to support the billing.

LOTTERY FUNDS

The Lake County Office of Education intends to use California State Lottery funds for supplemental and nonrecurring expenditures in support of educational programs and activities.

(cf. 3000 - Concepts and Roles)

(cf. 3100 - Budget)

Lottery fund revenue shall be allocated to the programs that generate the funds based upon units of average daily attendance (ADA).

(cf. 6161 - Equipment, Books and Materials)

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)

Lottery funds allocated by the state for the purchase of instructional materials shall be expended on instructional materials as defined in Education Code 60010. Lottery funds shall not be used for the acquisition of real property, construction of school facilities, financing of research, or any other noninstructional purpose. (Government Code 8880.4, 8880.5)

(cf. 3460 - Financial Reports and Accountability)

For the receipt and expenditure of lottery funds, the Lake County Superintendent of Schools or designee shall establish a separate account that shall be clearly identified as a lottery education account. (Government Code 8880.5)

Legal Reference: (see next page)

LOTTERY FUNDS (continued)

Legal Reference:

EDUCATION CODE

14600 *Legislative findings and declarations: state control of lottery funds*

14700-14701 *Use of lottery funds*

60010 *Definitions*

60119 *Sufficiency of instructional materials*

GOVERNMENT CODE

8880-8880.5 *California State Lottery: general provisions*

CODE OF REGULATIONS, TITLE 5

19834 *Audits, Proposition 20 lottery funds*

19835 *Audits, state lottery funds*

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION CORRESPONDENCE

2001.05.10 *Proposition 20 - Allocation of Lottery Funds for Instructional Materials*

WEB SITES

California Department of Education, Finance and Grants: <http://www.cde.ca.gov/fg>

Education Audit Appeals Panel: <http://www.eaap.ca.gov>

TRANSPORTATION FEES

Because the Lake County Office of Education does not receive Home-to-School transportation funding, the Lake County Board of Education may find it necessary to charge fees for home-to-school student transportation.

The County Superintendent of Schools shall develop transportation fee schedules for County Board approval. Fees shall be determined on the basis of operating costs in accordance with law.

No charge shall be made to students, parents, or legal guardians, for any transportation of students whose individualized education program requires transportation or whose parents/guardians are determined indigent pursuant to administrative regulations.

(cf. 3540 - Transportation)

(cf. 3541.2 - Transportation for Students with Disabilities)

Legal Reference:

EDUCATION CODE

10913 Fees for uses of school buses for community recreation purposes

35330 Excursions or field trips

39800-39860 Transportation, especially:

39801.5 Transportation fees for adults

39807.5 Payment of transportation cost; amount of payment

39809.5 Excess fees; adjustments

39837 Fees for summer employment transportation

41850 Home-to-school and special education transportation

49557 Applications for free and reduced price meals

49558 Confidentiality of applications and records

56026 Individuals with exceptional needs

CODE OF REGULATIONS, TITLE 5

350 Fees not permitted

CODE OF FEDERAL REGULATIONS, TITLE 7

245.8(a) Nondiscrimination practices for children eligible to receive free and reduced price meals and free milk

COURT DECISIONS

Arcadia Unified School District et al v. State Department of Education, 2 Cal. 4th 251 (1992)

Hartzell v. Connell, 35 Cal.3d 899 (1984)

Management Resources:

CDE MANAGEMENT ADVISORIES

0619.92 Fees for Pupil Transportation (#92-05)

CDE PROGRAM ADVISORIES

0609.95 School transportation fee exemption for handicapped children and pupils whose parents or guardians are indigent (LO: 2-95)

TRANSPORTATION FEES

Fee Schedule and Collection

Transportation fees charged by the Lake County Office of Education (LCOE) shall not exceed the statewide average nonsubsidized cost of providing such transportation to a student on a publicly owned or operated transit system, as determined by the County Superintendent of Public Instruction. (Education Code 39807.5)

The total amount received by LCOE from the state and parent/guardian fees shall not exceed the actual operating cost of home-to-school transportation during the fiscal year. If excess fees are collected due to errors in estimated costs, fees shall be reduced in succeeding years. (Education Code 39809.5)

Fees for Additional Services

In addition to charging fees for home-to-school transportation provided in accordance with Education Code 39800, LCOE may charge fees for students traveling to and from their places of employment during the summer in connection with a summer employment program for youth. (Education Code 39837)

LCOE may also charge fees for:

1. Students traveling to full-time occupational classes provided by a Regional Occupational Program or Center (Education Code 39807.5)
2. Matriculated or enrolled adults traveling to and from school, or adults pursuing other educational purposes (Education Code 39801.5)
3. Community recreation as provided in Education Code 39835 (Education Code 10913)

(cf. 3541 - Transportation Routes and Services)

Exemption from Fees

Eligibility for free transportation based on indigency shall be based on the income eligibility scales used for the free and reduced-price lunch program and/or proof of receipt of Temporary Assistance to Needy Families (TANF).

(cf. 3553 - Free and Reduced Price Meals)

At the beginning of the school year and whenever a new student is enrolled, parents/guardians shall receive information about free transportation eligibility standards, application procedures and appeal procedures.

(cf. 5145.6 - Parental Notifications)

TRANSPORTATION FEES (continued)

All applications and records related to eligibility for free transportation shall be confidential and used only for purposes directly connected with the free transportation program.

(cf. 4119.23/4219.23/4319.23 - Unauthorized Release of Confidential/Privileged Information)
(cf. 5125 - Student Records)

Students receiving free transportation shall not be identified by the use of special bus passes, tickets, lines, seats or any other means. They shall in no way be treated differently from other students, nor shall their names be published, posted or announced in any manner or used for any purpose other than the transportation program.

FEES AND CHARGES

The Lake County Board of Education recognizes its responsibility to ensure that books, materials, equipment, supplies, and other resources necessary for students' participation in the LCOE's educational program are made available to them at no cost.

No student shall be required to pay a fee, deposit, or other charge for his/her participation in an educational activity which constitutes an integral fundamental part of LCOE's educational program, including curricular and extracurricular activities. (Education Code 49010, 49011; 5 CCR 350)

(cf. 3100 - Budget)

(cf. 6145 - Extracurricular and Cocurricular Activities)

As necessary, the County Board may approve fees, deposits, and other charges which are specifically authorized by law. When approving such fees, deposits, or charges, establishing fee schedules, or determining whether waivers or exceptions should be granted, the County Board shall consider relevant data, including the socio-economic conditions of LCOE students' families and their ability to pay.

(cf. 3250 - Transportation Fees)

(cf. 3515.4 - Recovery for Property Loss or Damage)

(cf. 3553 - Free and Reduced Price Meals)

(cf. 5143 - Insurance)

(cf. 9323.2 - Actions by the Board)

The prohibition against student fees shall not restrict the LCOE from soliciting for voluntary donations, participating in fundraising activities, and providing prizes or other recognition for participants in such activities and events. However, the LCOE shall not offer or award to a student any course credit or privileges related to educational activities in exchange for voluntary donations or participation in fundraising activities by or on behalf of the student and shall not remove, or threaten to remove, from a student any course credit or privileges related to educational activities, or otherwise discriminate against the student, due to a lack of voluntary donations or participation in fundraising activities by or on behalf of the student.

(cf. 1321 - Solicitation of Funds from and by Students)

(cf. 3290 - Gifts, Grants and Bequests)

Whenever LCOE employees, volunteers, students, parents/guardians, or educational or civic organizations participate in such events or activities, the County Superintendent of Schools or designee shall emphasize that participation in the event or activity is voluntary.

A complaint alleging LCOE noncompliance with the prohibition against requiring student fees, deposits, or other charges shall be filed in accordance with the LCOE's procedures in BP/AR 1312.3 - Uniform Complaint Procedures. (Education Code 49013)

(cf. 1312.3 - Uniform Complaint Procedures)

FEES AND CHARGES (continued)

If, upon investigation, the LCOE finds merit in the complaint, the County Superintendent or designee shall recommend and the County Board shall adopt an appropriate remedy to be provided to all affected students and parents/guardians in accordance with 5 CCR 4600.

Information related to the prohibition against requiring students to pay fees for participation in an educational activity shall be included in LCOE's annual notification required to be provided to all students, parents/guardians, employees, and other interested parties pursuant to 5 CCR 4622. (Education Code 49013)

(cf. 4112.9/4212.9/4312.9 - Employee Notifications)
(cf. 5145.6 - Parental Notifications)

The County Superintendent or designee may provide additional information or professional development opportunities to administrators, teachers, and other personnel regarding permissible fees.

(cf. 4131 - Staff Development)
(cf. 4231 - Staff Development)
(cf. 4331 - Staff Development)

Legal Reference: (see next page)

FEES AND CHARGES (continued)

Legal Reference:

EDUCATION CODE

8239 *Preschool and wraparound child care services*
8250 *Child care and development services for children with disabilities*
8263 *Child care eligibility*
8482.6 *After School Education and Safety programs*
8760-8774 *Outdoor science and conservation programs*
17453.1 *District sale or lease of Internet appliances or personal computers to students or parents*
17551 *Property fabricated by students*
19910-19911 *Offenses against libraries*
32033 *Eye protective devices*
32221 *Insurance for athletic team member*
32390 *Fingerprinting program*
35330-35332 *Excursions and field trips*
35335 *School camp programs*
38080-38086 *Cafeteria establishment and use*
38120 *Use of school band equipment on excursions to foreign countries*
39801.5 *Transportation for adults*
39807.5 *Payment of transportation costs*
39837 *Transportation of students to places of summer employment*
48050 *Residents of adjoining states*
48052 *Tuition for foreign residents*
48904 *Liability of parent or guardian*
49010-49013 *Student fees*
49065 *Charge for copies*
49066 *Grades, effect of physical education class apparel*
49091.14 *Prospectus of school curriculum*
51810-51815 *Community service classes*
52612 *Tuition for adult classes*
52613 *Nonimmigrant aliens*
56504 *School records; students with disabilities*
60410 *Students in classes for adults*

GOVERNMENT CODE

6253 *Request for copy; fee*

CALIFORNIA CONSTITUTION

Article 9, Section 5 *Common school system*

CODE OF REGULATIONS, TITLE 5

350 *Fees not permitted*

4600-4687 *Uniform complaint procedures*

UNITED STATES CODE, TITLE 8

1184 *Foreign students*

Legal Reference continued: (see next page)

FEES AND CHARGES (continued)

Legal Reference: (continued)

COURT DECISIONS

Driving School Assn of CA v. San Mateo Union HSD (1993) 11 Cal. App. 4th 1513

Arcadia Unified School District v. State Department of Education (1992) 2 Cal 4th 251

Steffes v. California Interscholastic Federation (1986) 176 Cal. App. 3d 739

Hartzell v. Connell (1984) 35 Cal. 3d 899

CTA v. Glendale School District Board of Education (1980) 109 Cal. App. 3d 738

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

Pupil Fees, Deposits, and Other Charges: Cap and Gown for High School Graduation Ceremony,

Addendum to Fiscal Management Advisory 12-02, October 4, 2013

Fees, Deposits and Other Charges, Fiscal Management Advisory 12-02, April 24, 2013

WEB SITES

CSBA: <http://www.csba.org>

California Department of Education: <http://www.cde.ca.gov>

FEES AND CHARGES

When approved by the Lake County Board of Education, the Lake County Superintendent of Schools or designee may impose a fee for the following: (5 CCR 350)

1. Insurance for athletic team members, with an exemption providing for the COE to pay the cost of the insurance for any team member who is financially unable to pay (Education Code 32221)

(cf. 5143 - Insurance)

2. Insurance for medical or hospital service for students participating in field trips and excursions (Education Code 35331)
3. Expenses of students' participation in a field trip or excursion to another state, the District of Columbia, or a foreign country, as long as no student is prohibited from making the field trip due to lack of funds (Education Code 35330)

(cf. 6153 - School-Sponsored Trips)

4. Student fingerprinting program, as long as the fee does not exceed the actual costs associated with the program (Education Code 32390)

(cf. 5142.1 - Identification and Reporting of Missing Children)

5. School camp programs in outdoor science education, conservation education, or forestry operated pursuant to Education Code 8760-8774, provided that the fee is not mandatory and no student is denied the opportunity to participate for nonpayment of the fee (Education Code 35335)

(cf. 6142.5 - Environmental Education)

6. Reimbursement for the direct cost of materials provided by the LCOE to a student for the fabrication of nonperishable personal property the student will take home for his/her own possession and use, such as wood shop, art, or sewing projects kept by the student (Education Code 17551)
7. Home-to-school transportation and transportation between regular, full-time day schools and regional occupational centers, programs, or classes, as long as the fee does not exceed the statewide average nonsubsidized cost per student and exemptions are made for indigent and disabled students (Education Code 39807.5)

(cf. 3250 - Transportation Fees)

8. Transportation for students to and from their places of employment in connection with any summer employment program for youth (Education Code 39837)

FEES AND CHARGES (continued)

9. Deposit for school band instruments, music, uniforms, and other regalia which school band members take on excursions to foreign countries (Education Code 38120)
10. Sale or lease of Internet appliances or personal computers for the purpose of providing access to LCOE's educational computer network, at no more than cost, as long as the LCOE provides network access for families who cannot afford it (Education Code 17453.1)

(cf. 0440 - District Technology Plan)
(cf. 6163.4 - Student Use of Technology)

11. Fees for any community service class in civic, vocational, illiteracy, health, homemaking, and technical and general education, not to exceed the cost of maintaining the class (Education Code 51810, 51815)

(cf. 6142.4 - Service Learning/Community Service Classes)

12. Eye safety devices worn in courses or activities involving the use of hazardous substances likely to cause injury to the eyes, when being sold to students and/or teachers or instructors to keep and at a price not to exceed the LCOE's actual costs (Education Code 32033)

(cf. 3514.1 - Hazardous Substances)
(cf. 5142 - Safety)

13. Actual cost of furnishing copies of any student's records, except that no charge shall be made for furnishing up to two transcripts or two verifications of a former student's records or for reproducing records of a student with a disability when the cost would effectively prevent the parent/guardian from exercising the right to receive the copies (Education Code 49065, 56504)

(cf. 5125 - Student Records)

14. Actual costs of duplication for reproduction of the prospectus of school curriculum or for copies of public records (Education Code 49091.14; Government Code 6253)

(cf. 1340 - Access to District Records)
(cf. 5020 - Parent Rights and Responsibilities)

15. Food sold at school, subject to free and reduced-price meal program eligibility and other restrictions specified in law (Education Code 38084)

(cf. 3550 - Food Service/Child Nutrition Program)
(cf. 3551 - Food Service Operations/Cafeteria Funds)
(cf. 3552 - Summer Meal Program)

FEES AND CHARGES (continued)

(cf. 3553 - Free and Reduced Price Meals)

(cf. 3554 - Other Food Sales)

16. As allowed in law, replacement cost or reimbursement for lost or damaged LCOE books, supplies, or property, or for COE property loaned to a student that he/she fails to return (Education Code 19910-19911, 48904)

(cf. 3515.4 - Recovery for Property Loss or Damage)

17. Tuition for LCOE school attendance by an out-of-state or out-of-country resident (Education Code 48050, 48052, 52613; 8 USC 1184)

(cf. 5111.2 - Nonresident Foreign Students)

18. Adult education books, materials, transportation, and classes, except that no fee may be charged for classes in elementary subjects or for which high school credit is granted when taken by a person who does not hold a high school diploma or, effective July 1, 2015, classes in English and citizenship (Education Code 39801.5, 52612, 60410)

(cf. 6200 - Adult Education)

19. Preschool and child care and development services, in accordance with the fee schedule established by the Superintendent of Public Instruction, unless the family qualifies for subsidized services or the program is for severely disabled children and the student is eligible to enroll in it (Education Code 8239, 8250, 8263)

(cf. 5148 - Child Care and Development)

(cf. 5148.3 - Preschool/Early Childhood Education)

20. After School Education and Safety Programs, as long as no eligible student is denied the ability to participate because of inability to pay the fee (Education Code 8482.6)

21. Advanced Placement and International Baccalaureate Diploma examinations for college credits, as long as the examination is not a course requirement and the results have no impact on student grades or credits in the course

(cf. 6141.5 - Advanced Placement)

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES

When any Lake County Office of Education-owned instructional materials, equipment, supplies, or other personal property becomes unusable, obsolete, or no longer needed, the Lake County Superintendent of Schools shall notify the Lake County Board of Education, provide an estimated value, and recommend whether the items be sold or disposed of by one of the methods prescribed in law and administrative regulation. Upon approval by the County Board, the County Superintendent or designee shall arrange for the sale or disposal of these items.

(cf. 0440 - District Technology Plan)

(cf. 6161 - Equipment, Books and Materials)

(cf. 6161.11 - Supplementary Instructional Materials)

(cf. 6163.1 - Library Media Centers)

Instructional materials may be considered obsolete or unusable when they:

1. Have been replaced by more recent editions or new materials selected by the County Board and have no foreseeable value in other instructional areas

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)

2. Are not aligned with the LCOE's academic standards or course of study

(cf. 6011 - Academic Standards)

(cf. 6143 - Courses of Study)

3. Contain information rendered inaccurate or incomplete by new research or technologies

4. Contain demeaning, stereotyping, or patronizing references to any group of persons protected against discrimination by law or Board policy

(cf. 0410 - Nondiscrimination in District Programs and Activities)

5. Are damaged beyond use or repair

(cf. 1312.4 - Williams Uniform Complaint Procedures)

The County Superintendent or designee shall establish procedures to be used when selling equipment for which the federal government has a right to receive all or part of the proceeds. These procedures shall ensure a reasonable amount of competition so as to result in the highest possible revenue.

(cf. 3440 - Inventories)

Legal Reference: (see next page)

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES (continued)

Legal Reference:

EDUCATION CODE

17540-17542 *Sale or lease of personal property by one district to another*

17545-17555 *Sale of personal property*

35168 *Inventory, including record of time and mode of disposal*

42291.5 *Temporary school bus designation*

42303 *School bus sale to another district*

60500-60530 *Sale, donation, or disposal of instructional materials*

GOVERNMENT CODE

25505 *District property; disposition; proceeds*

CODE OF REGULATIONS, TITLE 5

3944 *Consolidated categorical programs, district title to equipment*

3946 *Disposal of equipment purchased with state and federal consolidated application funds*

UNITED STATES CODE, TITLE 40

549 *Surplus property*

CODE OF FEDERAL REGULATIONS, TITLE 34

80.32 *Equipment acquired under a grant or subgrant*

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

California School Accounting Manual

Standards for Evaluating Instructional Materials for Social Content, 2000

WEB SITES

California Department of Education: <http://www.cde.ca.gov>

School Services of California, Inc.: <http://www.sscal.com>

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES

Personal Property

The Lake County Office of Education may sell surplus or obsolete LCOE-owned personal property through any of the following methods:

1. The Lake County Superintendent of Schools may advertise for bids by posting a notice in at least three public places within LCOE's geographical jurisdiction for at least two weeks, or by publishing a notice at least once a week for at least two weeks in a newspaper having a general circulation within LCOE's geographical jurisdiction and, if possible, publishing within LCOE's geographical jurisdiction. LCOE shall sell the property to the highest responsible bidder or shall reject all bids. (Education Code 17545)

Property for which no qualified bid has been received may be sold, without further advertising, by the County Superintendent or designee. (Education Code 17546)

(cf. 3311 - Bids)

2. The property may be sold by means of a public auction conducted by LCOE employees, employees of other public agencies, or by contract with a private auction firm. Notice related to the auction shall be posted or published as described in item #1 above. (Education Code 17545)
3. LCOE may sell the property without advertising for bids under any of the following conditions:
 - a. The Lake County Board of Education members attending a meeting unanimously agree that the property, whether one or more items, does not exceed \$2,500 in value. (Education Code 17546)

(cf. 9323.2 - Actions by the Board)

- b. LCOE sells the property to agencies of federal, state, or local government, to any school district, or to any agency eligible under the federal surplus property law (40 USC 484 renumbered 40 USC 549) and the sale price equals the cost of the property plus the estimated cost of purchasing, storing, and handling. (Education Code 17540)
- c. LCOE sells or leases the property to agencies of the federal, state, or local government or to any school district and the price and terms of the sale or lease are fixed by the County Board and the County Superintendent. (Education Code 17542)

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES (continued)

If the County Board members attending a meeting unanimously find that the value of the property is insufficient to defray the costs of arranging a sale, the property may be donated to a charitable organization deemed appropriate by the County Board or may be disposed of by dumping. (Education Code 17546)

Money received from the sale of surplus property shall be either deposited in LCOE's reserve or general fund or credited to the fund from which the original purchase was made. (Education Code 17547)

Instructional Materials

Surplus or undistributed obsolete instructional materials that are usable for educational purposes may be sold by LCOE, in which case all of the proceeds of the sale shall be available to acquire basic instructional materials, supplemental instructional materials, or technology-based materials. (Education Code 60510, 60510.1, 60521)

(cf. 0440 - District Technology Plan)
(cf. 6161 - Equipment, Books and Materials)
(cf. 6161.1 - Selection and Evaluation of Instructional Materials)
(cf. 6161.11 - Supplementary Instructional Materials)
(cf. 6163.1 - Library Media Centers)

Such materials also may be donated to another educational institution, county free library, or other state institution; a United States public agency or institution; a nonprofit charitable organization; or children or adults in California or foreign countries for the purpose of increasing the general literacy of the people. Any organization, agency, or institution receiving obsolete instructional materials donated by LCOE shall certify to the County Board that it agrees to make no charge to any persons to whom it gives or lends these materials. (Education Code 60510, 60511)

At least 60 days before selling or donating surplus or obsolete instructional materials, the County Superintendent or designee shall notify the public of LCOE's intention to do so through a public service announcement on a local television station, in a local newspaper, or by another means he/she believes will most effectively reach the entities described above. The County Board shall also permit representatives of these entities and members of the public to address the County Board regarding the distribution of these materials.

(cf. 9323 - Meeting Conduct)

Surplus or undistributed obsolete instructional materials which are unusable or which cannot be distributed as specified above may be disposed of by either of the following: (Education Code 60530)

1. Mutilated so as not to be salable and sold for scrap at the highest obtainable price

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES (continued)

2. Destroyed by any economical means, provided that the materials are not destroyed until at least 30 days after LCOE has given notice to all persons who have filed a request for such notice

(cf. 3510 - Green School Operations)

(cf. 3511.1 - Integrated Waste Management)

Replacement of School Buses

Upon receiving a state apportionment for the replacement of a school bus, the County Board may sell the bus that is being replaced to another California school district or county office of education if the following conditions are met: (Education Code 42303)

1. The district is replacing a bus that is in service and has not been designated a temporary school bus pursuant to Education Code 42291.5.
2. The bus being replaced by the district is older than the bus that is being sold by LCOE.
3. The bus being replaced by the district is not sold to a third school district.
4. The district, by board resolution, holds the state and LCOE harmless for any liability that may result from the bus that LCOE is selling.
5. The proceeds from the sale of the bus shall be used by LCOE for home-to-school transportation purposes.

(cf. 3540 - Transportation)

6. Before the sale is finalized, the bus being sold is in compliance with all relevant provisions of the Vehicle Code and Title 13 of the California Code of Regulations.

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY

The Lake County Board of Education and the Lake County Superintendent of Schools believe that the LCOE should utilize its facilities and resources in the most economical and practical manner. The County Superintendent or designee shall periodically study the current and projected use of all LCOE facilities to ensure the efficient utilization of space for the effective delivery of instruction.

(cf. 1330 - Use of School Facilities)
(cf. 7110 - Facilities Master Plan)
(cf. 7111 - Evaluating Existing Buildings)
(cf. 7160 - Charter School Facilities)

Prior to the sale or lease of any surplus real property, the County Board shall appoint a LCOE advisory committee to advise the County Board regarding the use or disposition of schools or school building space which is not needed for school purposes. (Education Code 17388-17389)

(cf. 1220 - Citizen Advisory Committees)

Upon determination that LCOE property is no longer needed, or may not be needed until some future time, the County Board shall first submit a report to the local planning agency as to what real property the LCOE intends to offer for sale or lease. Not less than 40 days after issuance of the report to the local planning agency, and prior to entering into any agreement for sale or lease of COE real property, the County Board shall offer to sell or lease LCOE-owned real property in accordance with priorities and procedures specified in applicable law. (Education Code 17230, 17387-17391, 17457.5, 17464, 17485-17500; Government Code 54222, 65402)

(cf. 5148 - Child Care and Development)
(cf. 5148.2 - Before/After School Programs)
(cf. 5148.3 - Preschool/Early Childhood Education)

In addition, when selling real property purchased, constructed, or modernized with funds received within the past 10 years from a school facilities funding program, the Board shall consider whether any of the proceeds from the sale will need to be returned to the State Allocation Board (SAB) pursuant to Education Code 17462.3.

Resolution of Intention to Sell or Lease

Before ordering the sale or lease of any real property, the County Board shall adopt a resolution by a two-thirds vote of all of its members at a regularly scheduled open meeting. The resolution shall describe the property proposed to be sold or leased in such a manner as to identify it, specify the minimum price or rent, describe the terms upon which it will be sold or leased, and specify the commission or rate, if any, which the County Board will pay to a licensed real estate broker out of the minimum price or rent. The resolution shall fix a time, not less than three weeks thereafter, for a public meeting, held at the County's regular meeting place, at which sealed proposals to purchase or lease will be received and considered. (Education Code 17466)

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY (continued)

(cf. 9320 - Meetings and Notices)
(cf. 9323.2 - Actions by the Board)

The County Superintendent or designee shall provide notice of the adoption of the resolution and of the time and place of the meeting that will be held to consider bids by posting copies of the resolution, signed by the County Board, in three public places not less than 15 days before the date of the meeting. In addition, the notice shall be published at least once a week for three successive weeks before the meeting, in a newspaper of general circulation published in the county, if such a newspaper exists. (Education Code 17469)

In accordance with Education Code 17470, the County Superintendent or designee shall take reasonable steps to provide notification to the former owners of the property of the COE's intent to sell it.

Acceptance/Rejection of Bids

At the public meeting specified in the resolution of intention to sell or lease property, the County Board shall open, examine, and declare all sealed bids. Before accepting a written proposal, the County Board shall call for oral bids in accordance with law. (Education Code 17472, 17473)

The County Board may reject any and all bids, either written or oral, and withdraw the properties from sale when the County Board determines that rejection is in the best public interest. If no proposals are submitted or the submitted proposals do not conform to all the terms and conditions specified in the resolution of intention to lease, the County Board may lease the property in accordance with Education Code 17477. (Education Code 17476, 17477)

Of the proposals submitted by responsible bidders which conform to all terms and conditions specified in the resolution of intention to sell or lease, the County Board shall finally accept the highest bid after deducting the commission, if any, to be paid to a licensed real estate broker, unless the County Board accepts a higher oral bid or rejects all bids. (Education Code 17472)

The final acceptance of the bid may be made either at the same meeting specified in the resolution or at any adjourned/continued meeting held within 10 days. Upon acceptance of the bid, the County Board may adopt a resolution of acceptance that directs the County Board president, or any other County Board member, to execute the deed or lease and to deliver the document upon performance and compliance by the successful bidder of all of the terms and conditions of the contract. (Education Code 17475-17478)

(cf. 1431 - Waivers)

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY (continued)

Use of Proceeds

The County Superintendent or designee shall ensure that the proceeds from the sale, or lease with an option to purchase, of COE surplus property are used in accordance with law. (Education Code 17462; 2 CCR 1700)

(cf. 3100 - Budget)

(cf. 3460 - Financial Reports and Accountability)

Pursuant to the authorization in Education Code 17463.7, the LCOE may expend proceeds from the sale of surplus real property, along with the proceeds from any personal property located on that real property, for any one-time general fund purpose(s). Before LCOE exercises this authority: (Education Code 17463.7)

1. The County Board shall submit documents to the SAB certifying that:
 - a. The LCOE has no major deferred maintenance requirements not covered by existing capital outlay resources.
 - b. The sale of real property pursuant to Education Code 17463.7 does not violate the provisions of a local bond act.

(cf. 7214 - General Obligation Bonds)

- c. The real property is not suitable to meet projected school construction needs for the next 10 years.
2. The County Superintendent or designee shall present to the County Board, at a regularly scheduled meeting, a plan for expending these one-time resources. The plan shall identify the source and use of the funds and shall describe the reasons that the expenditure shall not result in ongoing fiscal obligations for LCOE.

Legal Reference: (see next page)

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY (continued)

Legal Reference:

EDUCATION CODE

17219-17224 Acquisition of property not utilized as school site; nonuse payments; exemptions

17230-17234 Surplus property

17385 Conveyances to and from school districts

17387-17391 Advisory committees for use of excess school facilities

17400-17429 Leasing property

17430-17447 Leasing facilities

17453 Lease of surplus district property

17455-17484 Sale or lease of real property, especially:

17457.5 Offer to charter school

17462.3 State Allocation Board program to reclaim funds

17463.7 Proceeds for general fund purposes

17485-17500 Surplus school playground (Naylor Act)

17515-17526 Joint occupancy

17527-17535 Joint use of district facilities

33050 Request for waiver

38130-38139 Civic Center Act

GOVERNMENT CODE

54220-54232 Surplus land, especially:

54222 Offer to sell or lease property

54950-54963 Brown Act, especially:

54952 Legislative body, definition

PUBLIC RESOURCES CODE

21000-21177 California Environmental Quality Act

CODE OF REGULATIONS, TITLE 2

1700 Definitions related to surplus property

COURT DECISIONS

San Lorenzo Valley Community Advocates for Responsible Education v. San Lorenzo Valley Unified School District, (2006) 139 Cal.App. 4th 1356

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

Closing a School Best Practices Guide

OFFICE OF PUBLIC SCHOOL CONSTRUCTION PUBLICATIONS

Unused Site Program Handbook, May 2008

WEB SITES

CSBA: <http://www.csba.org>

California Department of Education, School Facilities Planning Division: <http://www.cde.ca.gov/ls/fa>

Coalition for Adequate School Housing: <http://www.cashnet.org>

Office of Public School Construction: <http://www.dgs.ca.gov/opsc>

GIFTS, GRANTS AND BEQUESTS

The Lake County Board of Education may accept any bequest or gift of money or property on behalf of the Lake County Office of Education. While greatly appreciating suitable donations, the County Board discourages any gifts which may directly or indirectly impair its commitment to providing equal educational opportunities for all students.

(cf. 0410 - Nondiscrimination in District Programs and Activities)

Before accepting a gift, the County Board shall consider whether the gift:

1. Has a purpose consistent with LCOE's vision and philosophy
2. Begins a program which the County Board would be unable to continue when the donated funds are exhausted
3. Entails undesirable or excessive costs
4. Implies endorsement of any business or product

(cf. 1325 - Advertising and Promotion)

The County Board shall carefully evaluate any conditions or restrictions imposed by the donor in light of LCOE's philosophy and operations. If the County Board feels LCOE will be unable to fully satisfy the donor's conditions, the gift shall not be accepted.

Gift books and instructional materials shall be accepted only if they meet regular LCOE criteria.

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)

All gifts, grants, and bequests shall become LCOE property. Donors are encouraged to donate all gifts to LCOE rather than to a particular programs. At the Lake County Superintendent of Schools or designee's discretion, a gift may be used for a particular program.

Legal Reference: (see next page)

GIFTS, GRANTS AND BEQUESTS (continued)

Legal Reference:

EDUCATION CODE

1834 Acquisition of materials and apparatus

35160 Powers and duties

35162 Power to sue, be sued, hold and convey property

41030 School district may invest surplus monies from bequest or gifts

41031 Special fund or account in county treasury

41032 Authority of school board to accept gift or bequest; investments; gift of land requirements

41035 Advisory committee

41036 Function of advisory committee

41037 Rules and regulations

41038 Applicability of other provisions of chapter

Management Resources:

WEB SITES

California Consortium of Education Foundations: <http://www.cceflink.org>

GIFTS, GRANTS AND BEQUESTS

Establishing Budgets for New and Expanded Programs

The Lake County Superintendent of Schools encourages staff to recommend new and expanded programs if they are consistent with the mission and goals of the Lake County Office of Education. In developing recommendations for new and expanded programs, department managers should consider the feasibility of operating such a program, the availability of funding, and the overall purpose of the proposed project. In seeking grants for new and expanded programs, program managers shall obtain prior approval for the program from the County Superintendent or designee. Prior to submitting an application for a new grant or renewal of current grant, the budget proposal must be reviewed and recommended for approval by the Director of Fiscal Services.

Once notification of funding is received from a funding source or approval for a general fund-supported program is obtained from the County Superintendent, the program manager must initiate the required paperwork to establish a budget for the new or expanded program.

Timeline

Budgets for new or expanded programs shall be established throughout the year following notification from a funding source and/or approval by the County Superintendent.

Procedure

1. Program manager prepares a summary program description and budget range for conceptual approval by the County Superintendent.
2. Upon approval, program manager prepares full funding proposal including budget and submits to the Director of Fiscal Services for budget review before submittal to the funding source.
3. Once funding has been awarded and accepted by the County Superintendent, a copy of the grant award including terms, conditions, and reporting requirements is forwarded to the Director of Fiscal Services.
4. The program manager should complete the necessary Human Resources Action forms and forward them to Human Resources. Human Resources will set up the approved position in the financial management software and work with the program to perform recruitment and hiring activities.
5. LCOE Business Services personnel will establish the budget in the financial management software calculating salary cost using the position control system. All other budget lines will be entered per the awarded budget in consultation with the program manager. In general, Business Services will define the Fund, Resource, Project Year, and Budget Manager elements of the account code string and

GIFTS, GRANTS AND BEQUESTS (continued)

- will consult with the program manager to accurately identify the goal, function, object, school, and local account code elements.
6. The program manager ensures that all required programmatic reports and deliverables are submitted to the funding source in a timely manner.
 7. LCOE Business Services ensures that all required financial reports are submitted to the funding source in a timely manner.

EXPENDITURES AND PURCHASES

The Lake County Superintendent of Schools recognizes his/her fiduciary responsibility to oversee the prudent expenditure of Lake County Office of Education funds. In order to best serve LCOE interests, the Lake County Superintendent shall develop and maintain effective purchasing procedures that are consistent with sound financial controls and that ensure that LCOE receives maximum value for items purchased. He/she shall ensure that records of expenditures and purchases are maintained in accordance with law.

(cf. 3000 - Concepts and Roles)

(cf. 3100 - Budget)

(cf. 3350 - Travel Expenses)

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

(cf. 3460 - Financial Reports and Accountability)

(cf. 9270 - Conflict of Interest)

Expending Authority

The County Superintendent or designee may purchase supplies, materials, apparatus, equipment, and services up to the amounts specified in Public Contract Code 20111, beyond which a competitive bidding process is required. Any obligation incurred contrary to Lake County Board of Education policy and administrative regulations shall not be recognized.

(cf. 3311 - Bids)

(cf. 3312 - Contracts)

The County Superintendent or designee may authorize an expenditure which exceeds the budget classification allowance against which the expenditure is the proper charge only if an amount sufficient to cover the purchase is available in the budget for transfer by the Board.

(cf. 3110 - Transfer of Funds)

LCOE funds shall not be expended for the purchase of alcoholic beverages. (Education Code 32435)

Food Purchases for Education-Related Functions

Food can be provided by LCOE for employees and guests at education-related functions as long as the function in question relates to public education and either LCOE or the public benefits from having its employees or guests attend the function.

Providing food at LCOE functions is subject to the following provisions:

1. The use of public funds for the food expenditure must be deemed necessary, reasonable, and prudent for an identifiable public purpose and benefit.

EXPENDITURES AND PURCHASES (continued)

2. To the extent possible, the purchase must be within LCOE's food expenditure caps for breaks and meals. LCOE cap for breaks is established by the County Superintendent of Schools and is updated annually to reflect current market values; but in no case less than current Consumer Price Index – IRS travel guidelines will be used for meal caps.
3. When break or meal caps are exceeded for any reason, an ELT member must sign off on the requisition. If the purchase requisition is generated by an ELT member and exceeds the food cap, it must be signed by the County Superintendent.
4. An authorized purchase requisition must be submitted prior to the function.
5. An agenda or flyer for the function must accompany the purchase requisition.
6. Number of anticipated participants must be included on the requisition.

Purchasing Procedures

Insofar as possible, goods and services purchased shall meet the needs of the person or department ordering them at the lowest price consistent with standard purchasing practices. Maintenance costs, replacement costs, and trade-in values shall be considered when determining the most economical purchase price. When price, fitness, and quality are equal, recycled products shall be preferred when procuring materials for use in LCOE schools and buildings.

(cf. 3314.2 - Revolving Funds)

(cf. 3440 - Inventories)

(cf. 3511.1 - Integrated Waste Management)

All purchases shall be made by formal contract or purchase order or shall be accompanied by a receipt. In order to eliminate the processing of numerous small purchase orders, the County Superintendent or designee may create a "blanket" or "open" purchase order system for the purchase of minor items as needed from a vendor. He/she shall ensure that the "open" purchase order system details a maximum purchase amount, the types of items that can be purchased under this order, the individuals authorized to approve purchases, and the expiration date of the "open" order.

Legal Reference: (see next page)

EXPENDITURES AND PURCHASES (continued)

Legal Reference:

EDUCATION CODE

17604 *Delegation of powers to agents; approval or ratification of contracts by governing board*

17605 *Delegation of authority to purchase supplies and equipment*

32370-32376 *Recycling paper*

32435 *Prohibited use of public funds, alcoholic beverages*

35010 *Control of district; prescription and enforcement of rules*

35035 *Powers and duties of superintendent*

35160 *Authority of governing boards*

35250 *Duty to keep certain records and reports*

38083 *Purchase of perishable foodstuffs and seasonal commodities*

41010 *Accounting system*

41014 *Requirement of budgetary accounting*

GOVERNMENT CODE

4330-4334 *California made materials*

PUBLIC CONTRACT CODE

3410 *U.S. produce and processed foods*

20111 *Contracts over \$50,000; contracts for construction; award to lowest responsible bidder*

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Fiscal Accountability, 2006

WEB SITES

CSBA, *Financial Services*: <http://www.csba.org/fs>

California Association of School Business Officials: <http://www.casbo.org>

California Department of Education: <http://www.cde.ca.gov>

BIDS

In order to ensure transparency and the prudent expenditure of public funds, the Lake County Office of Education shall award contracts in an objective manner and in accordance with law. LCOE equipment, supplies, and services shall be purchased using competitive bidding when required by law or if the Lake County Superintendent of Schools determines that it is in the best interest of LCOE to do so.

(cf. 0410 - Nondiscrimination in District Programs and Activities)

(cf. 3000 - Concepts and Roles)

(cf. 3300 - Expenditures and Purchases)

When the County Superintendent has determined that it is in the best interest of LCOE, he/she may piggyback onto the contract of another public agency or corporation to lease or purchase equipment or supplies to the extent authorized by law. (Public Contract Code 20118)

Bid specifications shall be carefully designed and shall describe in detail the quality, delivery, and service required.

To assist LCOE in determining whether bidders are responsible, the County Superintendent or designee may require prequalification procedures as allowed by law and specified in administrative regulation.

(cf. 9270 - Conflict of Interest)

Legal Reference: (see next page)

BIDS (continued)

Legal Reference:

EDUCATION CODE

17595 *Purchases through Department of General Services*
38083 *Purchase of perishable foodstuffs and seasonable commodities*
38110-38120 *Apparatus and supplies*
39802 *Transportation services*

GOVERNMENT CODE

4330-4334 *Preference for California-made materials*
6252 *Definition of public record*
53060 *Special services and advice*
54201-54205 *Purchase of supplies and equipment by local agencies*

PUBLIC CONTRACT CODE

1102 *Emergencies*
2001-2001 *Responsive bidders*
3002 *Roofing projects*
3400 *Bids, specifications by brand or trade name not permitted*
3410 *United States produce and processed foods*
6610 *Bid visits*
12200 *Definitions, recycled goods, materials and supplies*
20103.8 *Award of contracts*
20107 *Bidder's security*
20111-20118.4 *Contracting by school districts*
20189 *Bidder's security, earthquake relief*
22002 *Definition of public project*
22030-22045 *Alternative procedures for public projects (UPCCAA)*
22050 *Alternative emergency procedures*
22152 *Recycled product procurement*

COURT DECISIONS

Marshall v. Pasadena USD, (2004) 119 Cal.App.4th 1241
Konica Business Machines v. Regents of the University of California, (1988) 206 Cal.App.3d 449
City of Inglewood-Los Angeles County Civic Center Authority v. Superior Court, (1972) 7 Cal.3d 861

ATTORNEY GENERAL OPINIONS

89 *Ops.Cal.Atty.Gen. 1* (2006)

Management Resources:

WEB SITES

CSBA: <http://www.csba.org>
California Association of School Business Officials: <http://www.casbo.org>

BIDS

Advertised/Competitive Bids

The Lake County Office of Education shall seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for a public project. (Public Contract Code 20111)

In the event that the Lake County Board of Education has elected by resolution to become subject to the Uniform constitution cost Accounting Procedure pursuant to Public Contract Code 22019, the following contracting procedures and dollar amount limitations shall apply:

1. Public projects of \$30,000 or less may be performed by County Office employees by force account, by negotiated contract, or by purchase order
2. Public projects of \$125,000 or less may be let to contract by informal procedures as set forth in the Informal Bidding Ordinance adopted by the County Board (Public Contract Codes 22032, 22034)
3. Public projects of more than \$125,000 shall be let to contract by formal bidding procedures.

Public project includes construction, reconstruction, erection, alteration, renovation, improvement, painting, repainting, demolition and repair work involving a LCOE-owned, leased or operated facility. (Public Contract Code 22002)

The amount by which contracts shall be competitively bid shall escalate automatically based upon the annual adjustment by the Superintendent of Public Instruction.

Competitive bids shall be sought through advertisement for contracts exceeding \$72,400 for the following: (Public Contract Code 20111; Government Code 53060)

1. The purchase of equipment, material or supplies to be furnished, sold or leased to the LCOE
2. Services, not including construction services, or special services and advice such as accounting, financial, legal or administrative matters
3. Repairs, including maintenance that is not a public project

Maintenance means routine, recurring and usual work for preserving, protecting and keeping a LCOE facility operating in a safe, efficient and continually usable condition for the intended purpose for which it was designed, improved, constructed, altered or repaired. *Maintenance* includes, but is not limited to, carpentry, electrical, plumbing, glazing and other

BIDS (continued)

craftwork designed to preserve the facility as well as repairs, cleaning and other operations on machinery and other permanently attached equipment. This definition does not include, among other types of work, janitorial or custodial services and protection provided by security forces, nor does it include painting, repainting or decorating other than touchup. (Public Contract Code 20115)

Unless otherwise authorized by law, contracts shall be let to the lowest responsible bidder who shall give such security as the Lake County Superintendent of Schools or designee requires, or else all bids shall be rejected. (Public Contract Code 20111)

When letting a contract for the procurement and/or maintenance of electronic data processing systems and supporting software, the County Superintendent or designee may contract with any one of the three lowest responsible bidders. (Public Contract Code 20118.1)

The County Superintendent or designee shall secure bids pursuant to Public Contract Code 20111 and 20112 for any transportation service expenditure of more than \$10,000 when contemplating that such a contract may be made with a person or corporation other than a common carrier, municipally owned transit system or a parent/guardian of students who are to be transported. The County Superintendent or designee may let this contract to other than the lowest bidder. (Education Code 39802)

No work, project, service or purchase shall be split or separated into smaller work orders or projects for the purpose of evading the legal requirements of Public Contract Code 20111-20118.4 for contracting after competitive bidding. (Public Contract Code 20116)

Instructions and Procedures for Advertised Bids

The County Superintendent or designee shall call for bids by placing a notice at least once a week for two weeks in a local newspaper of general circulation published in the county, or if no such newspaper exists, then in some newspaper of general circulation, circulated in the county, and may post the notice on the COE's web site or through an electronic portal. The notice shall state the work to be done or materials or supplies to be furnished and the time and place and web site where bids will be opened. LCOE may accept a bid that has been submitted electronically or on paper. (Public Contract Code 20112)

The notice shall contain the time, date, and location of any mandatory prebid conference, site visit, or meeting. The notice shall also detail when and where project documents, including final plan and specifications, are available. Any such mandatory visit or meeting shall not occur within a minimum of five calendar days of the publication of the initial notice. (Public Contract Code 6610)

Bid instructions and specifications shall include the following requirements and information:

BIDS (continued)

1. All bidders shall certify the minimum, if not exact, percentage of post-consumer materials in products, materials, goods, or supplies offered or sold. (Public Contract Code 22152)
2. All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security: (Public Contract Code 20107, 20111)
 - a. Cash
 - b. A cashier's check made payable to the COE
 - c. A certified check made payable to the COE
 - d. A bidder's bond executed by an admitted surety insurer and made payable to the County Superintendent

The security of unsuccessful bidders shall be returned in a reasonable period of time, but in no event later than 60 days after the bid is awarded. (Public Contract Code 20111)

3. Bids shall not be accepted after the advertised bid opening time, regardless of whether the bids are actually opened at that time. (Public Contract Code 20112)
4. When two or more identical lowest or highest bids are received, the County Superintendent or designee may determine by lot which bid shall be accepted. (Public Contract Code 20117)
5. If the LCOE requires that the bid include prices for items that may be added to or deducted from the scope of work in the contract, the bid solicitation shall specify which one of the following methods will be used to determine the lowest bid. In the absence of such a specification, only the method provided in item #a below shall be used. (Public Contract Code 20103.8)
 - a. The lowest bid shall be the lowest total of the bid prices on the base contract without consideration of the prices on the additive or deductive items.
 - b. The lowest bid shall be the lowest total of the bid prices on the base contract and those additive or deductive items that were specifically identified in the bid solicitation as being used for the purpose of determining the lowest bid price.

BIDS (continued)

- c. The lowest bid shall be the lowest total of the bid prices on the base contract and those additive or deductive items that, when taken in order from a specifically identified list of those items in the solicitation, and added to or subtracted from the base contract, are less than or equal to a funding amount publicly disclosed by the COE before the first bid is opened.

The lowest bid shall be determined in a manner that prevents any information that would identify any of the bidders or proposed subcontractors or suppliers from being revealed to the COE before the ranking of all bidders from lowest to highest has been determined.

6. Any subsequent change or alteration of a contract shall be governed by the provisions of Public Contract Code 20118.4.
7. After being opened, all submitted bids become public records pursuant to Government Code 6252 and shall be made available for review pursuant to law, County Board policy, and administrative regulation.

(cf. 1340 - Access to District Records)

Alternative Bid Procedures for Technological Supplies and Equipment

Upon a finding that a particular procurement qualifies for the alternative procedure, LCOE may acquire computers, software, telecommunications equipment, microwave equipment, and other related electronic equipment and apparatus through competitive negotiation. This procedure shall not apply to contracts for construction or for the procurement of any product that is available in substantial quantities to the general public. (Public Contract Code 20118.2)

The competitive negotiation shall include, but not be limited to, the following requirements: (Public Contract Code 20118.1)

1. The County Superintendent or designee shall prepare a request for proposals (RFP) that shall be submitted to an adequate number of qualified sources, as determined by LCOE, to permit reasonable competition consistent with the nature and requirement of the procurement.
2. Notice of the RFP shall be published at least twice in a newspaper of general circulation, at least 10 days before the date for receipt of the proposals.
3. LCOE shall make every effort to generate the maximum feasible number of proposals from qualified sources and shall make a finding to that effect before proceeding to negotiate if only a single response to the RFP is received.

BIDS (continued)

4. The RFP shall identify all significant evaluation factors, including price, and their relative importance.
5. LCOE shall provide reasonable procedures for the technical evaluation of the RFPs received, the identification of qualified sources, and the selection for the award of the contract.
6. An award shall be made to the qualified bidder whose proposal meets the evaluation standards and will be most advantageous to LCOE with price and all other factors considered.
7. If an award is not made to the bidder whose proposal contains the lowest price, then LCOE shall make a finding setting forth the basis for the award.
8. LCOE, at its discretion, may reject all proposals and request new RFPs.
9. Provisions in any contract concerning utilization of small business enterprises, that are in accordance with the RFP, shall not be subject to negotiation with the successful proposer.

Bids Not Required

Without advertising for bids and upon a determination that it is in the best interest of the COE, LCOE, the County Superintendent or designee may authorize, by contract, lease, requisition, or purchase order, another public corporation or agency to lease data-processing equipment or to purchase materials, supplies, equipment, automotive vehicles, tractors, and other personal property for LCOE in the manner that the other public corporation or agency is authorized to make the leases or purchases from a vendor ("piggyback"). (Public Contract Code 20118)

(cf. 3300 - Expenditures and Purchases)

Alternatively, if there is an existing contract between a public corporation or agency and a vendor for the lease or purchase of personal property, the County Superintendent or designee may authorize the lease or purchase of personal property directly from the vendor by contract, lease, requisition, or purchase order and make payment to the vendor under the same terms that are available to the public corporation or agency under the contract. (Public Contract Code 20118)

Supplementary textbooks, library books, educational films, audiovisual materials, test materials, workbooks, instructional computer software packages, or periodicals may be purchased in any amount without taking estimates or advertising for bids. (Public Contract Code 20118.3)

BIDS (continued)

Perishable commodities, such as foodstuffs, needed in the operations of cafeterias may be purchased through bid or on the open market. (Education Code 38083)

(cf. 3551 - Food Service Operations/Cafeteria Fund)

In an emergency when any repairs, alterations, work, or improvement to any school facility is necessary to permit the continuance of existing school classes or to avoid danger to life or property, the County Superintendent or designee may, contract for labor and materials or supplies without advertising for or inviting bids or may authorize the use of day labor or force account for the emergency purpose. (Public Contract Code 20113)

(cf. 3517 - Facilities Inspection)
(cf. 9323.2 - Actions by the Board)

Bids shall also not be required for day labor under circumstances specified in Public Contract Code 20114. Day labor shall include the use of maintenance personnel employed on a permanent or temporary basis. (Public Contract Code 20114)

Sole Sourcing

Specifications for contracts for construction, alteration, or repair of school facilities may not limit bidding, either directly or indirectly, to any one specific concern. Specifications designating a specific material, product, thing, or particular brand name shall follow the description with the words "or equal" so that bidders may furnish any equal material, product, thing, or service. (Public Contract Code 3400)

However, specifications for such contracts may designate a product by brand or trade name (sole sourcing) if the County Board and County Superintendent has made a finding, described in the invitation for bids or RFP, that a particular material, product, thing, or service is designated for any of the following purposes: (Public Contract Code 3400)

1. To conduct a field test or experiment to determine its suitability for future use
2. To match others in use on a particular public improvement that has been completed or is in the course of completion
3. To obtain a necessary item that is only available from one source
4. To respond to the County Board's declaration of an emergency, as long as the declaration has been approved by four-fifths of the County Board and County Superintendent when issuing the invitation for bid or RFP

BIDS (continued)

Prequalification Procedure

For any contract for which bids are legally required, the County Superintendent may require that each prospective bidder complete and submit a standardized questionnaire and financial statement. For this purpose, the County Superintendent or designee shall supply a form which requires a complete statement of the bidder's financial ability and experience in performing public works. (Public Contract Code 20111.5)

Prospective bidders shall submit the questionnaire and financial statement at least five days before the date fixed for public opening of sealed bids. The information shall be verified under oath in the manner in which civil law pleadings are verified. The questionnaires and financial statements shall not be public records and shall not be open to public inspection. (Public Contract Code 20111.5)

The County Superintendent or designee shall establish a uniform system for rating bidders on the basis of completed questionnaires and financial statements in order to determine the size of contracts on which each bidder is qualified to bid. Bidders must be deemed prequalified by the COE at least one day before the fixed bid-opening date. (Public Contract Code 20111.5)

The County Superintendent or designee shall furnish each qualified bidder with a standardized proposal form. Bids not presented on the standard form shall be disregarded. (Public Contract Code 20111.5)

LCOE may establish a procedure for prequalifying bidders on a quarterly basis and may authorize that prequalification be considered valid for up to one calendar year following the date of the initial prequalification. (Public Contract Code 20111.5)

Protests by Bidders

A bidder may protest a bid award if he/she believes that the award was inconsistent with LCOE policy, the bid's specifications, or was not in compliance with law. A protest must be filed in writing with the County Superintendent or designee within five working days after receipt of notification of the contract award. The bidder shall submit all documents supporting or justifying the protest. A bidder's failure to file the protest documents in a timely manner shall constitute a waiver of his/her right to protest the award of the contract.

The County Superintendent or designee shall review the documents submitted with the bidder's claims and render a decision in writing within 30 working days. The County Superintendent or designee may also convene a meeting with the bidder in order to attempt to resolve the problem.

UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING PROCEDURES

In awarding contracts for public works projects involving LCOE facilities, the Superintendent desires to obtain the best value to the agency and ensure the qualifications of contractors to complete the project in a satisfactory manner. The Board has, by resolution, adopted the procedures set forth in the Uniform Public Construction Cost Accounting Act pursuant to Public Contract Code 22030-22045, including the informal bidding procedures when allowed by law.

The Superintendent or designee may award any contract eligible for informal bidding procedures and may develop plans, specifications, and working details for all public projects requiring formal bidding procedures.

No work, project, service, or purchase shall be split or separated into smaller work orders or projects for the purpose of evading legal requirements for competitive bidding. (Public Contract Code 22033)

Projects awarded through the UPCCAA shall be subject to the cost accounting procedures established by the California Uniform Construction Cost Accounting Commission. (Public Contract Code 22030)

Emergency Actions

When formal bids are required by law but an emergency necessitates immediate repair or replacements, the Superintendent or designee may proceed to replace or repair a facility without adopting plans, specifications, strain sheets, or working details or giving notice for bids to let contracts. The work may be done by day labor under the direction of the Superintendent or designee and/or contractor. The emergency action shall subsequently be reviewed by the Superintendent in accordance with Public Contract Code 22050 and shall be terminated at the earliest possible date that conditions warrant, so that the remainder of the emergency action may be completed by giving notice for bids to let contracts. (Public Contract Code 1102, 22035, 22050)

Legal Reference:

PUBLIC CONTRACT CODE

1102 Definition of emergency

20110-20118.4 Local Agency Public Construction Act; school districts

22000-22020 California Uniform Construction Cost Accounting Commission

22030-22045 Alternative procedures for public projects (UPCCAA), especially:

22032 Applicability of procedures based on amount of project

22034 Informal bidding procedure

22035 Emergency need for repairs or replacement

22037-22038 Formal bidding procedures for projects exceeding \$175,000

22050 Alternative emergency procedures

UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING PROCEDURES

Procedures for awarding contracts for public works projects shall be determined on the basis of the amount of the project, as follows:

1. Public projects of \$45,000 or less may be performed by LCOE employees by force account, negotiated contract, or purchase order. (Public Contract Code 22032)
2. Contracts for public projects of \$175,000 or less may be awarded through the following informal procedures: (Public Contract Code 22032, 22034, 22038)
 - a. The Superintendent or designee shall maintain a list of qualified contractors, identified according to categories of work.
 - b. The Superintendent or designee shall prepare a notice inviting informal bids which describes the project in general terms, explains how to obtain more information about the project, and states the time and place for submission of bids. The notice shall be disseminated by mail, fax, or email to all contractors on the agency's list for the category of work being bid, unless the product or service is proprietary, at least 10 calendar days before bids are due. In addition, the Superintendent or designee may mail, fax, or email a notice inviting informal bids to all construction trade journals identified pursuant to Public Contract Code 22036.
 - c. The agency shall review the informal bids and award the contract, except that:
 - i. If all bids received through the informal process are in excess of \$175,000, the contract may be awarded to the lowest responsible bidder, provided that the Superintendent or designee determines to award the contract at \$187,500 or less and the Superintendent or designee determines the agency's cost estimate is reasonable.
 - ii. If no bids are received through the informal bid procedure, the project may be performed by LCOE employees by force account or negotiated contract.
3. Public projects of more than \$175,000 shall, except as otherwise provided by law, be subject to formal bidding procedures, as follows: (Public Contract Code 22032, 22037, 22038)
 - a. Notice inviting formal bids shall state the time and place for receiving and opening sealed bids and distinctly describe the project. The notice shall be disseminated in both of the following ways:
 - i. Through publication in a newspaper of general circulation in the agency's jurisdiction or, if there is no such newspaper, then by posting the notice in at least three places designated by the agency as places for posting its notices. Such notice shall be published at least 14 calendar days before the date that bids will be opened.
 - ii. By mail and electronically, if available, by either fax or email, to all construction trade journals identified pursuant to Public Contract Code 22036. Such notice shall be sent at least 15 calendar days before the date that bids will be opened.

In addition to the notice required above, the agency may give such other notice as it deems proper.

UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING PROCEDURES
continued

- b. LCOE shall award the contract as follows:
 - i. The contract shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, LCOE may accept the one it chooses.
 - ii. At its discretion, the agency may reject all bids presented and declare that the project can be more economically performed by its employees, provided that the agency notifies an apparent low bidder, in writing, of the agency's intention to reject the bid. Such notice shall be mailed at least two business days prior to the hearing at which the agency intends to reject the bid.
 - iii. If no bids are received through the formal bid procedure, the project may be performed by agency employees by force account or negotiated contract.

Bid Limits

The California Uniform Construction Cost Accounting Commission reviews monetary limits every five years. In the event that the bid limits detailed in this Administrative Regulation are obsolete, LCOE will award contracts based on the current bid limits dictated by the Commission and the California State Controller.

04/2018

CONTRACTS

To be valid or to constitute an enforceable obligation against the Lake County Office of Education (LCOE), all contracts must be approved and/or ratified by the Lake County Superintendent or designee. (Education Code 17604)

(cf. 3300 - Expenditures and Purchases)

(cf. 3314 - Payment for Goods and Services)

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

All contracts between the LCOE and outside agencies shall conform to standards required by law and shall be prepared under the direction of the County Superintendent or designee.

(cf. 2121- Superintendent's Contract)

(cf. 4312.1 - Contracts)

(cf. 9124 - Attorney)

When required by law, contracts and subcontracts made by LCOE for public works or for goods or services shall contain a nondiscrimination clause prohibiting discrimination by contractors or subcontractors. The nondiscrimination clause shall contain a provision requiring contractors and subcontractors to give written notice of their obligations to labor organizations with which they have a collective bargaining or other agreement. (Government Code 12990)

(cf. 0410 - Nondiscrimination in District Programs and Activities)

LCOE shall not enter into a contract that prohibits its employees from disparaging the goods or services of the contracting party. (Education Code 35182.5)

Contracts for Non-Nutritious Foods or Beverages

Effective July 1, 2007, LCOE shall not enter into or renew a contract for the sale of foods that do not meet the nutritional standards specified in Education Code 49431 or 49431.2 unless the contract specifies that such sales will occur later than one-half hour after the end of the school day and/or off school premises. (Education Code 49431, 49431.2)

(cf. 3554 - Other Food Sales)

In accordance with the dates specified in law, LCOE shall not enter into or renew a contract for the sale of beverages that do not meet the nutritional standards in Education Code 49431.5 unless the contract specifies that such sales will occur later than one-half hour after the end of the school day and/or off school premises.

Before LCOE enters into or renews a contract that grants exclusive or nonexclusive advertising or sale of carbonated beverages, non-nutritious beverages, or non-

CONTRACTS (continued)

nutritious food as defined in law, the County Superintendent shall ensure that LCOE has sufficient internal controls in place to protect the integrity of public funds and to ensure that funds raised as a result of the contract benefit public education. (Education Code 35182.5)

The County Superintendent or designee shall develop LCOE's internal control procedures to protect the integrity of public funds. Such internal controls may include but not be limited to the following:

1. Control procedures that produce accurate and reliable financial statements and, at the same time, safeguard the assets, financial resources, and integrity of every employee responsible for handling money or property. Control systems shall be systematically evaluated and revised to keep pace with the changing responsibilities of management.

(cf. 3100 - Budget)

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

(cf. 3460 - Financial Reports and Accountability)

2. Procedures to ensure that LCOE personnel do not handle cash or product at the school site. The contract shall specify that the vendor stock the machines and shall provide cash accounting, along with a check, for LCOE proceeds directly to the control office.

In addition, the contract may specify whether contractor logos are permitted on LCOE facilities, including but not limited to scoreboards and other equipment. If such logos are permitted, the contractor shall present the equipment to the Board as a gift. The gift may be accepted by the Lake County Board of Education in accordance with Board policy and administrative regulation.

(cf. 3290 - Gifts, Grants and Bequest)

To ensure that funds raised by the contract benefit LCOE schools and students:

1. The County Superintendent or designee may involve parents/guardians, students, staff, and interested community members to make recommendations regarding the contract, including recommendations as to how the funds will be spent in a manner that benefits public education.

(cf. 1220 - Citizen Advisory Committees)

2. Prior to ratifying the contract, the County Superintendent shall designate the specific programs and activities that will be funded by the proceeds of the contract and consider how the contract reflects LCOE's vision and goals.

(cf. 0000 - Vision)

(cf. 0100 - Philosophy)

CONTRACTS (continued)

(cf. 0200 - Goals for the School District)

3. The contract shall specify that the contractor report, on a quarterly basis, to the County Superintendent or designee the number of food items or beverages sold and the amount of money raised by the sales. The County Superintendent or designee shall report these amounts to the County Board on a regular basis.
4. The County Superintendent or designee shall ensure that the contract does not limit the ability of student and parent organizations to plan and operate fund-raising activities.

(cf. 1230 - School-Connected Organizations)
(cf. 1321 - Solicitation of Funds from and by Students)

The contract shall be entered into on a competitive bid basis pursuant to Public Contract Code 20111 or through the issuance of a Request for Proposal. (Education Code 35182.5)

(cf. 3311 - Bids)

The County Board shall not enter into or renew a contract that grants exclusive or nonexclusive advertising or sale of carbonated beverages, non-nutritious beverages, or non-nutritious food until parents/guardians, students, and members of the public have had an opportunity to comment on the contract at a public hearing held during a regularly scheduled County Board meeting or as otherwise authorized by Education Code 35182.5. The County Board shall clearly, and in a manner recognizable to the general public, identify in the agenda the contract to be discussed at the meeting. (Education Code 35182.5)

(cf. 9322 - Agendas/Meeting Materials)
(cf. 9323 - Meeting Conduct)

The public hearing shall include but not be limited to a discussion of the nutritional value of food and beverages sold within LCOE; the availability of fresh fruit, vegetables, and grains in school meals and snacks, including locally grown and organic produce; the amount of fat, sugar, and additives in the food and beverages discussed; and barriers to student participation in school breakfast and lunch programs. (Education Code 35182.5)

(cf. 5030 - Student Wellness)

The contract shall be accessible to the public and may not include a confidentiality clause that would prevent LCOE from making any part of the contract public. (Education Code 35182.5)

(cf. 1340 - Access to District Records)

CONTRACTS (continued)

Contracts for Electronic Products or Services

The County Board shall not enter into a contract for electronic products or services that requires the dissemination of advertising to students, unless the County Superintendent or designee: (Education Code 35182.5)

1. Enters into the contract at a noticed, public hearing of the County Board.

(cf. 9320 - Meetings and Notices)

2. Makes a finding that the electronic product or service is or would be an integral component of the education of students.

(cf. 0440 - District Technology Plan)

3. Makes a finding that LCOE cannot afford to provide the electronic product or service unless it contracts to permit dissemination of advertising to students.

(cf. 1325 - Advertising and Promotion)

4. As part of LCOE's normal, ongoing communication to parents/guardians, provides written notice that the advertising will be used in the classroom or other learning center.

5. Offers parents/guardians the opportunity to request in writing that their child not be exposed to the program that contains the advertising. Any request shall be honored for the school year in which it is submitted, or longer if specified, but may be withdrawn by the parents/guardians at any time.

Legal Reference: (see next page)

CONTRACTS (continued)

Legal Reference:

EDUCATION CODE

200-262.4 *Prohibition of discrimination on the basis of sex*

14505 *Provisions required in contracts for audits*

17595-17606 *Contracts*

35182.5 *Contract prohibitions*

45103.5 *Contracts for management consulting service related to food service*

49431-49431.5 *Nutritional standards*

CODE OF CIVIL PROCEDURE

685.010 *Rate of interest*

GOVERNMENT CODE

12990 *Nondiscrimination and compliance employment programs*

53260 *Contract provision re maximum cash settlement*

53262 *Ratification of contracts with administrative officers*

LABOR CODE

1775 *Penalties for violations*

1810-1813 *Working hours*

PUBLIC CONTRACT CODE

4100-4114 *Subletting and subcontracting fair practices*

7104 *Contracts for excavations; discovery of hazardous waste*

7106 *Noncollusion affidavit*

20111 *Contracts over \$50,000; contracts for construction; award to lowest responsible bidder*

20104.50 *Construction Progress Payments*

22300 *Performance retentions*

UNITED STATES CODE, TITLE 20

1681-1688 *Title IX, discrimination*

Management Resources:

CSBA PUBLICATIONS

Student Wellness: A Healthy Food and Physical Activity Policy Resource Guide, rev. 2005

WEB SITES

CSBA: <http://www.csba.org>

California Association of School Business Officials: <http://www.casbo.org>

EDUCATIONAL TRAVEL PROGRAM CONTRACTS

The Lake County Board of Education believes that field trips and other travel opportunities for students are a valuable tool in supporting classroom instruction and promoting students' awareness of places and events. In contracting with organizations to provide educational travel services, the County Board desires to ensure a quality educational experience and the health, safety and welfare of each student traveler.

The Lake County Superintendent of Schools or designee shall contract only with educational travel organizations which adhere to state law and exhibit safe and reputable business practices.

(cf. 3312 - Contracts)

(cf. 3541.1 - Transportation for School-Related Trips)

(cf. 6153 - School-Sponsored Trips)

The County Superintendent or designee shall establish procedures for selecting the highest quality vendor, taking into account student safety, quality of the program and fiscal integrity.

Legal Reference:

EDUCATION CODE

35160 Authority of boards

35160.1 Broad authority of school districts

BUSINESS AND PROFESSIONS CODE

17540 Travel promoters

17550-17550.9 Sellers of travel

17552-17556.5 Educational travel organizations

EDUCATIONAL TRAVEL PROGRAM CONTRACTS

Definitions

Educational travel organization or *organization* means a person, partnership, corporation, or other entity which offers educational travel programs for students residing in California. (Business and Professions Code 17552)

Student traveler or *student* means a person who is enrolled in elementary or secondary school, grades kindergarten through grade 12, at the time an educational travel program is arranged with an educational travel organization. (Business and Professions Code 17552)

Educational travel program means travel services that are arranged through or offered to an elementary or secondary school in the state, and where the services are represented to include an educational program as a component. (Business and Professions Code 17552)

Owner means a person or organization which owns or controls 10 percent or more of the equity of, or otherwise has claim to 10 percent or more of the net income of, the educational travel organization. (Business and Professions Code 17554)

Principal means an owner, an officer of a corporation, a general partner of a partnership, or a sole proprietor of a sole proprietorship. (Business and Professions Code 17554)

Contract Requirements

The Lake County Superintendent of Schools or designee shall ensure that each written contract with an educational travel organization includes all of the following: (Business and Professions Code 17554)

1. The travel organization's name, trade or business name, business address, business telephone number and a 24-hour emergency contact number
2. An itemized statement which shall include but not be limited to:
 - a. Services to be provided as part of the program
 - b. Agreed cost for the services
 - c. A statement as to whether or not the educational travel organization maintains insurance that supplies coverage in the event of injury to any student traveler, including the type and amount of coverage, the policy number and issuer, and the name and telephone number of the person or organization which is able to verify coverage
 - d. Any additional costs to students

EDUCATIONAL TRAVEL PROGRAM CONTRACTS (continued)

- e. The qualifications, if any, for experience and training that are required to be met by the educational travel organization's staff who shall accompany students on the educational travel program
3. A written description of the educational program being contracted for, including a copy of all materials to be provided to students
4. The number of times the educational travel program or a substantially similar educational travel program proposed by the contract has been conducted by the organization and the number of students who completed the program
5. The length of time the organization has either been arranging or conducting educational travel programs and, at the option of the organization, other travel services with substantially similar components
6. The name of each owner and principal of the organization
7. A statement as to whether any owner or principal of the organization has had entered against him or her any judgment, including a stipulated judgment, order, made a plea of nolo contendere or been convicted of any criminal violation in connection with the sale of any travel services for a period of 10 years predating the contract

Lake County Office of Education staff shall inform all vendors representing educational travel organizations that they may not arrange a travel program before the County Superintendent or designee has first entered into a written contract with the organization.

PAYMENT FOR GOODS AND SERVICES

The Lake County Board of Education recognizes the importance of developing a system of internal control procedures in order to help fulfill its obligation to monitor and safeguard the Lake County Office of Education resources. To facilitate warrant processing, the Lake County Superintendent of Schools or designee shall ensure that purchasing, receiving, and payment functions are kept separate. He/she shall also ensure that invoices are paid expeditiously so that LCOE may, to the extent possible, take advantage of available discounts and avoid finance charges.

(cf. 3300 - Expenditures and Purchases)

(cf. 3312 - Contracts)

(cf. 3314.2 - Revolving Funds)

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

(cf. 9320 - Meetings and Notices)

The County Superintendent or designee shall sign all warrants and shall ensure that warrants have appropriate documentary support verifying that all goods and services to be paid for have been delivered or rendered in accordance with the purchase agreement.

LCOE shall not be responsible for unauthorized purchases.

Legal Reference: (see next page)

PAYMENT FOR GOODS AND SERVICES (continued)

Legal Reference:

EDUCATION CODE

17605 *Delegation of authority for purchases*
42630-42651 *Orders, requisitions and warrants*
42800-42806 *Revolving cash fund*
42810 *Alternative revolving fund*
42820 *Prepayment funds*

CODE OF CIVIL PROCEDURE

685.010 *Rate of interest*

GOVERNMENT CODE

16.5 *Digital signatures*
5500-5506 *Uniform Facsimile Signatures of Public Officials Act*
8111.2 *Definition of public entity*

PUBLIC CONTRACT CODE

7107 *Retention proceeds; withholding; disbursement*
9203 *Payment for projects costing over \$5000*
20104.50 *Timely progress payments*

CODE OF REGULATIONS, TITLE 2

22000-22005 *Digital signatures*

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Understanding California's Public School Finance System, 2006

Maximizing School Board Governance: Budget Planning and Adoption, 2006

Maximizing School Board Governance: Understanding District Budgets, 2006

Maximizing School Board Governance: Fiscal Accountability, 2006

School Finance CD-ROM, 2005

WEB SITES

CSBA: <http://www.csba.org>

California Secretary of State, digital signatures: <http://www.sos.ca.gov/digsig/digsig.htm>

Fiscal Crisis Management & Assistance Team: <http://www.femat.org>

PAYMENT FOR GOODS AND SERVICES

Payments to Contractors

The Lake County Board of Education shall make payment on any contract for the creation, construction, alteration, repair, or improvement of any public structure, building, or other improvement of any kind which costs over \$5,000 based on estimates of actual work completed that have been approved by the Lake County Superintendent of Schools. The Lake County Office of Education shall not make progress payments in excess of 95 percent of the actual work completed and may include 95 percent of the value of material delivered or stored but as yet unused. LCOE shall withhold at least five percent of the contract price until the final completion and acceptance of the project. However, any time after 50 percent of the work has been completed, the County Superintendent may make any of the remaining progress payments in full for actual work completed if he/she finds that satisfactory progress is being made. (Public Contract Code 9203)

The County Superintendent or designee shall ensure that requests for progress payments related to contracts for public works are processed and paid within 30 days. Any improper request shall be returned to the contractor within seven days, together with a written statement of why the request is not proper. (Public Contract Code 20104.50)

(cf. 3312 - Contracts)

Retention proceeds withheld by LCOE from payments to contractors for public works contracts shall be released within 60 days after the construction or improvement is completed. In the event of a dispute between LCOE and the contractor, LCOE may withhold from the final payment an amount not to exceed 150 percent of the disputed amount. (Public Contract Code 7107)

Lake County Office of Education Credit Cards

The County Superintendent authorizes the issuance of LCOE credit cards to specified employees. LCOE credit card purchases are for official business only and must comply with established purchasing policies.

Authorized credit card holders shall use discretion when using LCOE credit cards. Whenever possible, purchases will be pre-approved through the normal process, with the credit card providing an expeditious means of payment.

Authorized card holders may also use the card for incidental purchases in place of revolving cash funds.

Employees may be issued CAL-Cards in their individual names; however, all charges incurred are the liability of LCOE. CAL-Cards are not for personal use and shall not be used to purchase alcohol, tobacco, or other purchases that are prohibited by program contract requirements.

PAYMENT FOR GOODS AND SERVICES (continued)

Bills and all supporting invoices/receipts shall be forwarded to Business Services (accounts payable) within five days of use or five days after returning from an event where the pre-card was used.

Upon pre-approval of department managers, and when appropriate purchase orders are in place, employees may check out temporary cards for Walmart, Safeway, CostCo or fuel cards for LCOE vehicles.

REVOLVING FUNDS

The Lake County Board of Education has established by resolution a revolving cash fund for use by the Lake County Superintendent of Schools or designee in paying for goods, services and other charges determined by the County Board, including supplemental payments required to correct any payroll errors. (Education Code 42800-42806, 45167)

The County Board may review and revise fund usage as appropriate.

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

Additional Revolving Funds

The County Board also may, by resolution, establish revolving cash funds for use by school program managers and other administrative officials to pay for goods and services. The total amount of the funds shall not exceed three percent of the current year's instructional supply budget. (Education Code 42810)

No funds maintained in a revolving fund shall be used in an attempt to influence government decisions, for entertainment purposes, or for any other purpose not related to classroom instruction. (Education Code 42810)

The County Board shall name the administrators who will have use and control of the funds. Officials so named shall be responsible for all payments into the accounts as well as expenditures from the accounts, subject to restrictions established by the County Board.

The revolving cash fund for supplies shall be subject to the bonding provisions of Education Code 42801.

(cf. 3530 - Risk Management/Insurance)

The County Board may review and revise fund usage as appropriate.

The County Board shall provide an audit of revolving funds on a regular basis. (Education Code 42810)

Legal Reference: (see next page)

REVOLVING FUNDS (continued)

Legal Reference:

EDUCATION CODE

- 35160 Authority of governing boards*
- 35250 Duty to keep certain records*
- 38091 Cafeteria revolving accounts*
- 41020 Audits of all district funds*
- 41021 Requirement for employee's indemnity bond*
- 41365-41367 Charter school revolving loan fund*
- 42238 Revenue limits*
- 42630-42652 Orders, requisitions, and warrants*
- 42800-42806 Revolving cash fund*
- 42810 Revolving cash funds; use; administrators*
- 42820-42821 Prepayment revolving cash fund*
- 45167 Error in salary*

Management Resources:

WEB SITES

- California Department of Education, Finance and Grants: <http://www.cde.ca.gov/fg>*
- Fiscal Crisis and Management Assistance Team: <http://www.fcmat.org>*

PAYING EXPENSES INCURRED BY DISTRICTS/OUTSIDE AGENCIES

The Lake County Office of Education may, in the performance of its mission, agree to reimburse a district or other outside agency for specific expenses that are related to the programs and services of the County Office.

For example, a district site which houses a LCOE program may require LCOE to reimburse the district for facility use. Or, a district employee may work a portion of her/his time under contract to LCOE but receive her/his full salary from the district; in this case, LCOE would agree to reimburse the district for that portion of the employee's salary and benefits related to her/his work for LCOE.

In instances where LCOE agrees to reimburse a district or outside agency for specific expenditures, a written agreement, contract, or memorandum of understanding (Contract Agreements) outlining the details of the arrangement must be produced and signed by representatives of both LCOE and the district or outside agency. Following final approval of any such contract agreements, a purchase order is processed and payment made according to the standard operating procedures of LCOE.

Timeline

Contract agreements must be approved by the department manager and the Lake County Superintendent of Schools before services are rendered. Invoices for reimbursement follow the completion of services unless an alternate payment schedule is specified in the agreement.

Procedure

1. Department manager and district/outside agency personnel discuss and draft preliminary written agreement regarding services, costs, billing procedures and timeline.
2. Department manager completes contract agreement and forwards to County Superintendent for approval. If agreement is complex, department manager should consult Business Services for assistance.
3. Department manager obtains district/outside agency approval signature on contract agreement.
4. Department manager initiates purchase order requisition, attaches completed contract agreement and forwards to Business Services for processing. Note: If contract includes estimated costs, purchase order would state the dollar amount which actual expenses may not exceed.

PAYING EXPENSES INCURRED BY DISTRICTS/OUTSIDE AGENCIES (continued)

5. District/outside agency initiates services following the receipt of LCOE purchase order and approved contract.

RELATIONS WITH VENDORS

No Lake County Office of Education employee shall accept personal gifts, commissions or expense-paid trips from individuals or companies selling equipment, materials or services required in the operation of LCOE programs. Gifts include any gift purchased specifically for an employee which is not generally offered to other buyers.

This policy does not prohibit employees from accepting promotional or advertising items such as calendars, desk pads, notebooks and other office gadgets which are offered by business concerns free to all as part of their public relations programs.

LCOE employees who work for or serve as consultants for potential vendors shall not participate in evaluating any equipment, materials, or services of that vendor or its competitors.

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)
(cf. 9270 - Conflict of Interest)

This policy does not prohibit the acceptance of materials and/or services which are of use and benefit to LCOE.

(cf. 3290 - Gifts, Grants and Bequests)

Legal Reference:

EDUCATION CODE

60071 *Prohibited offers to influence adoption or purchase of instructional materials*

60072 *Acceptance of consideration or inducements by school official*

60073 *Penalties for violation of article*

60074 *Supplying sample copies*

60075 *Receiving sample copies*

60076 *Inapplicability of article; royalties or other compensation of school official for writing or preparing instructional materials; claim of district to royalty*

CLAIMS AND ACTIONS AGAINST THE COUNTY OFFICE OF EDUCATION

As a prerequisite to suit thereon, any and all claims for money or damages against the Lake County Board of Education, the Lake County Superintendent of Schools, or the Lake County Office of Education, must be presented to and acted upon in accordance with this policy.

As used in this policy, the term County Board shall mean the Lake County Board of Education, and/or the Lake County Superintendent of Schools, as applicable.

The County Board desires to ensure that LCOE's operations are conducted in a manner that minimizes risk, protects LCOE resources, and promotes the health and safety of students, staff, and the public.

(cf. 3530 - Risk Management/Insurance)

(cf. 5143 - Insurance)

Any claim for money or damages not governed by the Government Claims Act (Government Code 810-996.6) or excepted by Government Code 905 shall be presented consistent with the manner and time limitations in the Government Claims Act, unless a procedure for processing such claims is otherwise provided by state or federal law.

Upon notice to LCOE of a claim, the County Superintendent or designee shall take all necessary steps to protect LCOE's rights under any applicable contractual agreements, including the right to indemnification from its insurance or other coverage provider.

This policy applies retroactively to any existing causes of action and/or claims for money and/or damages.

Roster of Public Agencies

The County Superintendent or designee shall file the information required for the Roster of Public Agencies with the Secretary of State and the County Clerk. This information shall include the mailing address of the County Board and the names and addresses of the County Board presiding officer, the County Board clerk, or secretary, and other members of the County Board. (Government Code 53051)

Any changes to such information shall be filed within 10 days after the change has occurred. (Government Code 53051)

Legal Reference: (see next page)

CLAIMS AND ACTIONS AGAINST THE COUNTY OFFICE OF EDUCATION
(continued)

Legal Reference:

EDUCATION CODE

35200 *Liability for debts and contracts*

35202 *Claims against districts; applicability of Government Code*

CODE OF CIVIL PROCEDURE

340.1 *Damages suffered as result of childhood sexual abuse*

GOVERNMENT CODE

800 *Cost in civil actions*

810-996.6 *Claims and actions against public entities*

6500-6536 *Joint exercise of powers*

53051 *Information filed with secretary of state and county clerk*

PENAL CODE

72 *Fraudulent claims*

COURT DECISIONS

City of Stockton v. Superior Court, (2007) 42 Cal. 4th 730

Connelly v. County of Fresno, (2006) 146 Cal.App.4th 29

CSEA v. South Orange Community College District, (2004) 123 Cal.App.4th 574

CSEA v. Azusa Unified School District, (1984) 152 Cal.App.3d 580

Management Resources:

WEB SITES

California Secretary of State's Office: <http://www.sos.ca.gov>

CLAIMS AND ACTIONS AGAINST THE COUNTY OFFICE OF EDUCATION

Time Limitations

The following time limitations apply to claims against the Lake County Office of Education:

1. Claims for money or damages relating to a cause of action for death or for injury to person, personal property, or growing crops shall be presented to the Lake County Board of Education not later than six months after the accrual of the cause of action. (Government Code 905, 911.2)
2. Claims for money or damages as authorized in Government Code 905 and not included in item #1 above, including claims for damages to real property, shall be presented not later than one year after the accrual of the cause of action. (Government Code 905, 911.2)
3. Claims for money or damage which are excepted by Government Code 905, and which are not governed by any other statutes or regulations expressly relating thereto, shall be filed not later than one year after the accrual of the cause of action. (Government Code 905).

Receipt of Claims

A claim, any amendment thereto, or an application to present a late claim shall be deemed presented and received when delivered to the LCOE office or deposited in a post office, subpost office, substation, or mail chute or other like facility maintained by the U.S. Government, in a sealed envelope properly addressed to the LCOE office with postage paid or when otherwise actually received in the LCOE office or by the County Board secretary or clerk. (Government Code 915, 915.2)

Upon receipt of a claim against LCOE pursuant to the Government Claims Act, the Lake County Superintendent of Schools shall promptly provide written notice to LCOE's JPA or insurance carrier in accordance with the applicable conditions of coverage.

Review of Contents of the Claim

The County Superintendent or designee shall review any claim received to ensure that the claim contains all of the following information as specified in Government Code 910 and 910.2:

1. The name and post office address of the claimant
2. The post office address to which the person presenting the claim desires notices to be sent

CLAIMS AND ACTIONS AGAINST THE COUNTY OFFICE OF EDUCATION
(continued)

3. The date, place, and other circumstances of the occurrence or transaction which gave rise to the claim asserted
4. A general description of the indebtedness, obligation, injury, damage, or loss incurred insofar as it may be known at the time of presentation of the claim
5. The name(s) of the public employee(s) causing the injury, damage, or loss if known
6. The amount claimed if it totals less than \$10,000 as of the date of the presentation of the claim, including the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds \$10,000, the dollar amount shall not be included in the claim and the claimant shall indicate whether the claim is a "limited civil case."
7. The signature of the claimant or the person acting on his/her behalf

Notice of Claim Insufficiency

If a claim is found insufficient or not to satisfy the form requirements under Government Code 910 and 910.2, the County Board or its designee shall, within 20 days of receipt of the claim, personally deliver or mail to the claimant, at the address stated in the claim or application, a notice that states the particular defects or omission in the claim. (Government Code 910.8, 915.4)

The County Board shall not act upon the claim until at least 15 days after such notice is given. (Government Code 910.8)

Amendment to Claims

Within the time limits provided under the section entitled "Time Limitations" above or prior to final action by the County Board, whichever is later, a claim may be amended if, as amended, it relates to the same transaction or occurrence which gave rise to the original claim. (Government Code 910.6)

Late Claims

For claims under item #1 in the section entitled "Time Limitations" above, any person who presents a claim later than six months after the accrual of the cause of action shall present, along with the claim, an application to present a late claim. Such claim and the application to present a late claim shall be presented not later than one year after the accrual of the cause of action. (Government Code 911.4)

CLAIMS AND ACTIONS AGAINST THE COUNTY OFFICE OF EDUCATION
(continued)

If the claim is presented late and is not accompanied by an application to present a late claim, the County Board or its designee may, within 45 days, give written notice that the claim was not presented timely and that it is being returned without further action. (Government Code 911.3)

The County Board shall grant or deny the application to present a late claim within 45 days after it is presented. This 45-day period may be extended by written agreement of the claimant and the County Board provided that such agreement is made before the expiration of the 45-day period. (Government Code 911.6)

The County Board shall grant the application to present a late claim where one or more of the following conditions are applicable: (Government Code 911.6)

1. The failure to present the claim was through mistake, inadvertence, surprise, or excusable neglect and LCOE was not prejudiced in its defense regarding the claim by the claimant's failure to present the claim within the time limit.
2. The person who sustained the alleged injury, damage, or loss was a minor during all of the time specified for presentation of the claim.
3. The person who sustained the alleged injury, damage, or loss was physically or mentally incapacitated during all of the time specified for presentation of the claim and the disability was the reason he/she failed to present the claim.
4. The person who sustained the alleged injury, damage, or loss died before the expiration of the time specified for the presentation of the claim.

If the application to present a late claim is denied, the claimant shall be given notice in substantially the same form as set forth in Government Code 911.8. (Government Code 911.8)

If the County Board does not take action on the application to present a late claim within 45 days, the application shall be deemed to have been denied on the 45th day unless the time period has been extended, in which case it shall be denied on the last day of the period specified in the extension agreement. (Government Code 911.6)

Action on Claims

Within 45 days after the presentation or amendment of a claim, the County Board shall take action on the claim. This time limit may be extended by written agreement between the LCOE and the claimant before the expiration of the 45-day period. If the 45-day period has expired, the time limit may be extended if legal action has not commenced or been barred by legal limitations. (Government Code 912.4)

CLAIMS AND ACTIONS AGAINST THE COUNTY OFFICE OF EDUCATION
(continued)

The County Board may act on the claim in one of the following ways: (Government Code 912.4, 912.6)

1. If the County Board finds that the claim is not a proper charge against LCOE, the claim shall be rejected.
2. If the County Board finds that the claim is a proper charge against LCOE and is for an amount justly due, the claim shall be allowed.
3. If the County Board finds that the claim is a proper charge against LCOE but is for an amount greater than is justly due, the County Board shall either reject the claim or allow it in the amount justly due and reject it as to the balance.
4. If legal liability of LCOE or the amount justly due is disputed, the County Board may reject or compromise the claim.
5. If the County Board takes no action on the claim, the claim shall be deemed rejected.

If the County Board allows the claim in whole or in part or compromises the claim and the claimant accepts the amount allowed or offered to settle the claim, the County Board may require the claimant to accept it in settlement of the entire claim. (Government Code 912.6)

The County Board or its designee shall transmit to the claimant written notice of action taken or of inaction which is deemed rejection. The notice shall be in the form set forth in Government Code 913 and shall either be personally delivered or mailed to the address stated in the claim or application. (Government Code 913, 915.4)

REAL PROPERTY

It is the legal responsibility of the Lake County Board of Education and Lake County Superintendent of Schools to provide a suitable, safe, and healthful environment for students and staff of the Lake County Office of Education. It is the policy of the County Superintendent that adequate and appropriate real property be provided to meet the housing needs of the programs and services of LCOE.

The County Superintendent may assign responsibility to the a designee to develop and implement procedures which ensure compliance with all laws, codes, and regulations.

Real property leases, purchases or sale agreements shall be subject to the County Superintendent's approval.

Title to real property is held jointly by the County Board and the County Superintendent, collectively referred to as the Lake County Office of Education.

Per Education Code 1042(c), the name on the deed for the Lake County Office of Education real property shall be the Lake County Board of Education.

Legal References:

EDUCATION CODE

1042 County boards, authority

1082 Acquisition of real property or improvements

17365-17374 Fitness for Occupancy

California Constitution, Article I, Section 28(c)

REAL PROPERTY

The Lake County Office of Education may purchase, sell or lease real property used to house the offices and services of the Lake County Superintendent of Schools. All housing shall meet applicable state, federal and local standards; waivers to standards shall only be requested if other appropriate options are not satisfactory. All property purchased or leased shall be in compliance with applicable LCOE standards, which may include, but are not limited to:

1. Field Act and seismic safety standards
2. Environmental safety standards
3. Fire and building codes
4. Public health standards
5. Requirements for housing K-12 special education students
6. State, federal, city or county codes/ordinances, etc.

LCOE's or programs requesting the purchase, sale or lease of real property shall adhere to the following procedures in obtaining authorization. Leases of less than one year's duration, renewals that do not involve significant increases in costs (e.g., those with increases of ten percent or less), and license agreements with Lake County school districts shall be excluded from the provisions of this regulation.

The procedure that follows applies to the purchase or sale of real property by the Office of Education, real property lease arrangements involving a period of one year or more, and renewals where increases exceed ten percent.

Purpose

To establish a process to purchase or lease real property.

Timeline

The purchase, sale or lease of real property may take from one to several months, depending on program needs and the complexity of the contract involved. Any such transactions shall be coordinated through the office of the Superintendent or his designee from inception.

Procedure

1. Program manager requests audience with County Superintendent to discuss facilities proposal in concept.

REAL PROPERTY (continued)

2. County Superintendent reviews the proposal and if approved in concept, identifies if the Program Manager should proceed or if the matter will be negotiated through the Superintendent's office.
3. Program manager reviews the request and locates possible sites.
4. Director of Maintenance visits the property and completes a review of the property relative to health and safety standards.

If the property does not meet health and safety standards, the Director of Maintenance notifies both the program manager and County Superintendent.

If the property does meet health and safety standards, the Director of Maintenance signs off on the proposal advising the program manager and the County Superintendent.

5. If the site is intended to house a school the County Superintendent will coordinate the necessary site inspection and approval process with the California Department of Education.
6. After obtaining any necessary approval from the California Department of Education, the County Superintendent with the assistance of LCOE's attorney negotiates lease/sales agreement with property owner.
7. County Superintendent approves the lease/sales agreement.

Note: Facilities located within public school sites or preschool programs located on state-licensed preschool sites may not require the completion of this full procedure.

TRAVEL EXPENSES

The Lake County Superintendent of Schools or designee shall authorize payment for actual and necessary expenses, including travel, incurred by any employee performing authorized services for the Lake County Office of Education in accordance with LCOE Travel and Reimbursement Policy Procedures.

The County Superintendent may approve employee requests to attend meetings in accordance with the adopted budget.

(cf. 4131 - Staff Development)

(cf. 4231 - Staff Development)

(cf. 4331 - Staff Development)

Expenses shall be reimbursed within limits approved by the Lake County Board of Education. The County Superintendent or designee shall establish procedures for the submission and verification of expense claims. He/she may authorize an advance of funds to cover necessary expenses.

The County Board may establish an allowance on for a mileage basis to reimburse authorized employees for the use of their own vehicles in the performance of assigned duties.

All out-of-state travel for which reimbursement will be claimed shall have County Superintendent's approval.

Authorized employees may use LCOE credit cards while attending to LCOE business. Under no circumstances may personal expenses be charged on LCOE credit cards.

(cf. 9240 - Board Development)

(cf. 9250 - Remuneration, Reimbursement, and Other Benefits)

Legal Reference:

EDUCATION CODE

44016 Travel expense

44032 Travel expense payment

44033 Automobile allowance

44802 Student teacher's travel expense

EMPLOYER PAID MEMBERSHIP IN ORGANIZATIONS OR SOCIETIES

Institutional Membership

The Lake County Superintendent of Schools may authorize on a case-by-case basis division heads to approve institutional membership in professional organization(s) that directly relate to providing services to school districts.

Individual Membership

Except as authorized by the County Superintendent in a contract of employment with an individual, the Lake County Office of Education shall not pay for individual memberships in employee organizations: The American Association of School Administrators (AASA), the Association of California School Administrators (ACSA), the Association of School Business Officials, International (ASBO), the California Association of School Business Officials (CASBO), the California Teachers Association (CTA), the American Federation of Teachers (AFT), and the Professional Educator Group (PEG).

Individual membership in organizations or societies will not be paid by LCOE except under the following circumstances:

1. Employer paid individual membership are to be limited to employees on the management and confidential salary schedules.
2. Employer paid individual membership must be directly related to the job assignment of the manager or confidential employee requesting the membership.
3. Employer paid individual membership are to have the approval of the program manger before they will be approved for payment.
4. Employer paid individual membership will not be prorated with part of the membership paid the employer and part paid by the employee.
5. A program may purchase one employer-paid individual membership per organization or society, e.g., in ASCD, one in National Council of Teachers of English, one in California School Library Association, etc.

Exception: This may be exempted by the County Superintendent particularly if one membership in the organization results in cost savings to LCOE (i.e., ASCD publications can be acquired more cheaply through membership than individual purchase) and two membership benefits LCOE's programmatic goals.

6. Magazines, journals and other information received as a result of employer paid individual membership must be shared with other managers and confidential employees within the program.

EMPLOYER PAID MEMBERSHIP IN ORGANIZATIONS OR SOCIETIES

(continued)

7. Program managers that approve employer paid individual membership shall establish a procedure for sharing such magazines, journals, and their information.
8. All employer paid individual memberships shall have the address of LCOE listed on the membership.

The policy does not serve as a warranty that every management and confidential employee has the right to an employer-paid individual membership in an organization or a society.

MANAGEMENT OF COUNTY OFFICE ASSETS/ACCOUNTS

The Lake County Superintendent of Schools or designee shall establish and maintain accurate, efficient financial management systems to meet the Lake County Office of Education's fiscal obligations, produce useful information for financial reports, and safeguard LCOE resources. He/she shall ensure that LCOE accounting system provides ongoing internal controls and meets generally accepted accounting standards.

(cf. 3100 - Budget)

(cf. 3300 - Expenditures/Expending Authority)

(cf. 3312 - Contracts)

(cf. 3460 - Financial Reports and Accountability)

Capital Assets

LCOE recognizes the importance of accurately identifying and valuing COE assets in order to help ensure financial accountability and to minimize the risk of loss or misuse. LCOE assets with a useful life of more than one year and an initial acquisition cost of \$5,000 or more shall be considered capital assets. The County Superintendent or designee shall determine the estimated useful life of each capital asset and shall calculate and report the estimated loss of value, or depreciation, during each accounting period for all capital assets.

(cf. 3440 - Inventories)

Fraud Prevention and Investigation

LCOE expects all employees, Lake County Board of Education members, consultants, vendors, contractors, and other parties maintaining a business relationship with LCOE to act with integrity and due diligence in duties involving LCOE's fiscal resources.

The County Superintendent or designee shall be responsible for developing internal controls which aid in the prevention and detection of fraud, financial impropriety or irregularity within LCOE. Each member of the management team shall be alert for any indication of fraud, financial impropriety or irregularity within his/her area of responsibility.

An employee who suspects fraud, impropriety, or irregularity shall immediately report those suspicions to his/her immediate supervisor and/or the County Superintendent or designee. The County Superintendent or designee shall have primary responsibility for any necessary investigations, in coordination with legal counsel and other internal or external departments and agencies as appropriate.

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

Legal Reference: (see next page)

MANAGEMENT OF COUNTY OFFICE ASSETS/ACCOUNTS (continued)

Legal Reference:

EDUCATION CODE

14500-14508 *Financial and compliance audits*

35035 *Powers and duties of superintendent*

35250 *Duty to keep certain records and reports*

41010-41023 *Accounting regulations, budget controls and audits*

42600-42604 *Control of expenditures*

42647 *Drawing of warrants by district on county treasurer; form; reports, statements and other data*

GOVERNMENT CODE

53995-53997 *Obligation of contract*

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Budget Planning and Adoption, 2006

Maximizing School Board Governance: Fiscal Accountability, 2006

School Finance CD-ROM, 2005

GOVERNMENTAL ACCOUNTING STANDARDS BOARD

Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments, June 1999

WEB SITES

CSBA: <http://www.csba.org>

California Association of School Business Officials: <http://www.casbo.org>

California Department of Education, School Finance: <http://www.cde.ca.gov/fg>

California State Controller's Office: <http://www.sco.ca.gov>

Fiscal Crisis & Management Assistance Team: <http://www.femat.org>

Governmental Accounting Standards Board: <http://www.gasb.org>

School Services of California: <http://www.sscal.com>

MANAGEMENT OF COUNTY OFFICE ASSETS/ACCOUNTS

Accounts

The Lake County Office of Education'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 Lake County Superintendent of Schools or designee shall ensure that funds are encumbered in LCOE accounting records prior to an expenditure commitment.

(cf. 3110 - Transfer of Funds)

Asset Capitalization

A capitalization threshold is the criteria by which an organization determines if an asset should be expensed immediately or over the asset's estimated useful life.

- The Office of Management and Budget (OMB) Circular A-87, Cost Principals for State, Local, and Indian Tribal Government, Attachment B, Sections 19(a)(2) and 19(h) sets the federal capitalization threshold at \$5,000, allowing property costing up to \$5,000 to be charged to federal grants as supplies, rather than Capital outlay without specific awarding agency approval.
- The State Accounting Manual used by California state agencies requires capitalization of property which has a normal life of at least one year and a unit acquisition cost equal to or exceeding the agency's capitalization threshold.

In accordance with GAAP, LCOE will capitalize all assets with an acquisition cost of at least \$50,000 for buildings and related improvements; at least \$15,000 for vehicles; and at least \$5,000 for all other capital acquisitions. Donated assets will be recorded at the fair market value as of the date of acquisition.

Depreciation

Depreciation represents the recognition of the cost of an asset over time, by calculating its estimated loss in value during each accounting period.

- GAAP for governments in the United States allows public agencies to use any established depreciation method.
- California Department of Education recommends school agencies use the straight-line method.

MANAGEMENT OF COUNTY OFFICE ASSETS/ACCOUNTS (continued)

LCOE will utilize the straight-line method over the estimated useful lives for classes of assets as follows:

Land	Indefinite life, no depreciation
Permanent Buildings	50 years
Portable Buildings	25 years
Land improvements	15 years
Office furniture and equipment	5-8 years
Computer equipment	5 years
Vehicles	8 years
Buses	15 years
Miscellaneous property not listed above	20 years

Fraud Prevention and Investigation

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

1. Forgery or unauthorized alteration of any document or account belonging to the County Office
2. Forgery or unauthorized alteration of a check, bank draft or any other financial document
3. Misappropriation of funds, securities, supplies or other assets
4. Impropriety in the handling of money or reporting of financial transactions
5. Profiteering as a result of insider knowledge of County Office information or activities
6. Disclosing confidential and/or proprietary information to outside parties

(cf. 4119.23/4219.23/4319.23 - Unauthorized Release of Confidential/Privileged Information)

7. Disclosing investment activities engaged in or contemplated by the County Office

(cf. 3430 - Investing)

8. Accepting or seeking anything of material value from contractors, vendors or persons providing services or materials to the County Office
9. Destroying, removing or inappropriately using of records, furniture, fixtures or equipment

MANAGEMENT OF COUNTY OFFICE ASSETS/ACCOUNTS (continued)

10. Failing to provide financial records to authorized state or local entities
11. Any other dishonest or fraudulent act

The County Superintendent or designee shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information about the investigation confidential.

If an investigation substantiates the occurrence of a fraudulent activity, the County Superintendent or designee shall issue a report to appropriate personnel. 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. The result of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate need to know.

(cf. 4112.6/4212.6/4312.6 - Personnel Files)
(cf. 4119.1/4219.1/4319.1 - Civil and Legal Rights)

LOANS TO SCHOOL DISTRICTS AND RELATED SCHOOL DISTRICT AGENCIES

General Loan Considerations

During a school year the Lake County Superintendent of Schools and the Lake County Board of Education may receive request from school districts and related school district agencies for loans. The requests generally occur under the following circumstances:

1. Need for short-term cash flow assistance.
2. Need for specific purposes such as construction, equipment, supplies, etc.
3. Financing from other sources is not available.
4. Financing from other sources is not favorable.
5. Short-term bridge financing is needed to expedite specific projects.
6. Occurrence of natural disasters or emergency circumstances.

Approval Considerations of County Superintendent

In order to financially assist districts under certain situations, the following parameters and conditions have been established which provide the County Superintendent the ability to approve loans:

1. Sufficient availability of Department funds.
2. Loans do not exceed 36 months.
3. Loan amount does not exceed \$300,000.
4. Loans and terms are reported to the County Board within 60 days.
5. The County Superintendent accepts full responsibility for decision to grant loan.
6. Districts provide sufficient rationale to justify the loan (after checking availability of other sources).
7. District demonstrates ability to repay the loan.
8. Interest rate charged will equal or exceed the rate earned by the Lake County Office of Education as defined by the interest earned by the Lake County Treasurer's pooled rate.

LOANS TO SCHOOL DISTRICTS AND RELATED SCHOOL DISTRICT AGENCIES (continued)

9. County Superintendent is authorized to make emergency loans not to exceed \$100,000 for less than 30 days without charging interest.
10. Loan may be issued only to Lake County school districts and related school district agencies excluding programs where LCOE is the local educational agency (LEA), i.e., SELPA.

Approval Considerations of County Board of Education

In order to financially assist districts under certain situations, the following parameters and conditions have been established which provide the County Board the ability to approve loans:

1. District will show evidence of need that LCOE is the most reasonable source of funds (after checking availability of other sources).
2. Sufficient availability of LCOE funds.
3. Loan term does not exceed 60 months.
4. Loan amount does exceed \$300,000.
5. Interest rate charged will equal or exceed the rate earned by LCOE at the time of the loan request.
6. District demonstrates ability to repay the loan.
7. Need for short-term "bridge loan" to expedite specific project(s).
8. Need for loan due to emergency conditions or natural disaster.

General Provisions

It shall be understood that LCOE is not intended to be viewed as a primary lending source, but rather one option that may be the most practical source under certain circumstances.

Additionally, it is the intent of the County Board to provide this as a service to districts and is not viewed as a way to generate additional income for LCOE.

LOANS TO SCHOOL DISTRICTS AND RELATED SCHOOL DISTRICT AGENCIES (continued)

The County Board may consider pooling district needs when securing bridge financing for cash flow purposes. Such loans are to be repaid within 90 days. This would most typically occur during the transitions from one fiscal year to the next or during the months preceding the distribution of taxes and, in the aggregate, may be several millions of dollars.

Based on request received and availability of LCOE funds, the County Superintendent has the discretion to determine how much will be loaned to a given requesting school district.

On an annual basis, and no later than the September Board meeting, the County Board will receive a report of loans granted during the previous fiscal year.

Legal Reference:

EDUCATION CODE

35160 Authority of governing boards

35160.1 Board authority

35160.2 School district, defined

INVENTORIES

In order to provide for the proper tracking and control of Lake County Office of Education property, the Lake County Superintendent of Schools shall maintain an inventory of equipment in accordance with law for the following:

1. All equipment items currently valued in excess of \$500 (Education Code 35168)
2. All equipment items purchased with state and/or federal categorical funds that have a useful life of more than one year with an acquisition cost of \$500 or more per unit

(cf. 3290 - Gifts, Grants and Bequests)

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

(cf. 3512 - Equipment)

In addition, the County Superintendent or designee may maintain a list of specific items which shall be inventoried for internal control purposes regardless of their initial cost or current value.

The inventory shall contain a record of the following information: (Education Code 35168; 5 CCR 3946)

1. Name and description of the property
2. Identification number
3. Original cost of the item of equipment or a reasonable estimate if the original cost is unknown
4. Date of acquisition
5. Location of use
6. The date and method of disposal

(cf. 3270 - Sale and Disposal of Books, Equipment and Supplies)

In addition to the information specified in items #1-6 above, the following information shall be recorded for equipment acquired with state and/or federal categorical funds unless otherwise specified in law: (34 CFR 80.32; 5 CCR 3946)

1. Source of the property (funding source)
2. Titleholder
3. Percentage of federal participation in the cost of the property

INVENTORIES (continued)

4. Use and condition of property
5. Sale price of the property upon disposition and method used to determine current fair market value

At the time of purchase, the County Superintendent or designee shall affix a label to the equipment containing the identification number and LCOE's name. Equipment items purchased with categorical program funds shall also be labeled with the name of the project in accordance with 5 CCR 3946.

Whenever an equipment item is moved to a new location or the equipment is used for a new purpose, the new location or purpose shall be recorded in the inventory.

A copy of the inventory shall be kept at the Business office and at the appropriate school site or program office.

(cf. 3580 - District Records)

Physical Inventory

At least once every two years, a physical inventory of equipment shall be conducted and the results reconciled with the property records. (34 CFR 80.32)

The County Superintendent or designee shall establish procedures for conducting the physical inventory which shall include, but not be limited to, designation of person(s) responsible for coordinating and conducting the inventory, preparation and distribution of count sheets, procedures for implementing the inventory, and procedures for conducting a recount to substantiate the validity of the inventory.

The County Superintendent or designee shall investigate any differences between the quantities determined by the physical inspection and those in the accounting records.

Legal Reference: (see next page)

INVENTORIES (continued)

Legal Reference:

EDUCATION CODE

35168 *Inventory of equipment*

CODE OF REGULATIONS, TITLE 5

3946 *Control, safeguards, disposal of equipment purchased with consolidated application funds*

16022-16023 *Classification of records*

16035 *Historical inventory of equipment*

UNITED STATES CODE, TITLE 20

2301-2414 *Carl D. Perkins Career and Technical Education Act*

CODE OF FEDERAL REGULATIONS, TITLE 34

80.1-80.52 *Uniform administrative requirements for grants to state and local governments*

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

California School Accounting Manual, 2008

OFFICE OF MANAGEMENT AND BUDGET COMMUNICATIONS

Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, rev. May 10, 2004

WEB SITES

California Association of School Business Officials: <http://www.casbo.org>

School Services of California, Inc.: <http://www.sscal.com>

White House, Office of Management and Budget: <http://www.omb.gov>

PETTY CASH FUNDS

In order to facilitate minor purchases, the Lake County Superintendent of Schools or designee may establish a petty cash fund for programs on a case-by-case basis. The petty cash fund shall be used for unforeseen small school expenses, such as postage or individual purchases of supplies when it is not possible to utilize normal purchasing processes.

The amount of the petty cash fund shall not exceed \$200. The program manager or designee shall be responsible for all expenditures from the fund and shall create a system for tracking fund expenditures. Each expenditure shall be supported by appropriate documentation.

Expenditures shall be reconciled and accounted for monthly or whenever the program manager requests that the fund be replenished, at the end of the fiscal year, or at the request of the County Superintendent or designee.

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

The program manager or designee shall ensure that the petty cash fund is kept in a safe and secure location.

Legal Reference:

EDUCATION CODE

35160 Authority of governing boards

35250 Duty to keep certain records

41020 Requirement for annual audit

42800-42810 Revolving funds

Management Resources:

WEB SITES

California Association of School Business Officials: <http://www.casbo.org>

STUDENT ACTIVITY FUNDS

The Lake County Board of Education recognizes that student organizations can provide students with an opportunity to conduct worthwhile cocurricular activities beyond those provided by the Lake County Office of Education and can also help students learn about effective financial practices. To that end, student organizations may raise and spend funds to support activities that promote the general welfare, morale, and educational experiences of the student body.

(cf. 3260 - Fees and Charges)

(cf. 5000 - Concepts and Roles)

(cf. 6145 - Extracurricular and Cocurricular Activities)

(cf. 6145.5 - Student Organizations and Equal Access)

Fund-Raising Events

At the beginning of each school year, the Lake County Superintendent of Schools or designee shall submit to the Lake County Board of Education a list of the fund-raising events that each student organization proposes to hold that year. The County Superintendent or designee shall review the proposed events and determine whether the events contribute to the educational experience and are not in conflict with or detract from the school's educational program. When reviewing proposed events, the County Superintendent or designee shall consider the effects of the activities on student health and safety, evaluate the risk of liability to LCOE, and ensure that the proposed activities are in compliance with law, Board policy, and administrative regulation.

(cf. 1321 - Solicitation of Funds from and by Students)

(cf. 3530 - Risk Management/Insurance)

(cf. 3554 - Other Food Sales)

(cf. 5030 - Student Wellness)

(cf. 5142 - Safety)

(cf. 5143 - Insurance)

Management of Funds

Student body funds shall be managed in accordance with law and sound business procedures designed to encourage the largest possible educational return to students without sacrificing the security of funds.

The County Superintendent or designee shall develop internal control procedures to safeguard the organization's assets, promote the success of fund-raising ventures, provide reliable financial information, and reduce the risk of fraud and abuse. These procedures shall detail the oversight of activities and funds including, but not limited to, the appropriate role and provision of training for staff and students, parameters for events on campus, appropriate and prohibited uses of funds, and accounting and record-keeping processes, including procedures for handling questionable expenditures.

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

STUDENT ACTIVITY FUNDS (continued)

The County Superintendent or designee shall be responsible for the proper conduct of all student organization financial activities. The budget adopted by the student body organization should serve as the financial plan for the school year and shall be submitted to the County Superintendent or designee at the beginning of each school year. The County Superintendent or designee shall periodically review the organization's use of funds to ensure compliance with LCOE internal control procedures.

Funds derived from the student body shall be disbursed according to procedures established by the student organization. All disbursements must be approved by a County Board-designated official, the certificated employee who is the student organization advisor, and a student organization representative. (Education Code 48933)

The County Board shall provide an annual audit of student accounts by a certified public accountant or licensed public accountant. The cost of the audit shall be paid from LCOE funds. (Education Code 41020)

(cf. 3460 - Financial Reports and Accountability)

Legal Reference:

EDUCATION CODE

35182.5 *Non-nutritious foods and beverages, vending machines*

35564 *Funds, obligation of the student body*

41020 *Requirement for annual audit*

48930-48938 *Student body organization*

49431 *Sale of food and beverages, elementary school*

49431.5 *Sale of food and beverages, middle and high schools*

51520 *School premise, prohibited solicitations*

51521 *Fund-raising projects*

CODE OF REGULATIONS, TITLE 5

15500 *Food sales, elementary schools*

15501 *Food sales, middle and junior high schools*

COURT DECISIONS

Prince v. Jacoby, (2002) 303 F.3d 1074

Management Resources:

FISCAL CRISIS MANAGEMENT & ASSISTANCE TEAM PUBLICATIONS

Associated Student Body Accounting Manual & Desk Reference, 2005

WEB SITES

California Department of Education: <http://www.cde.ca.gov>

Fiscal Crisis Management & Assistance Team: <http://www.fcmat.org>

FEES AND CHARGES

The Lake County Office of Education recognizes its responsibility to ensure that books, materials, equipment, supplies, and other resources necessary for students' participation in the COE's educational program are made available to them at no cost.

No student shall be required to pay a fee, deposit, or other charge for his/her participation in an educational activity which constitutes an integral fundamental part of the COE's educational program, including curricular and extracurricular activities. (Education Code 49010, 49011; 5 CCR 350)

(cf. 3100 - Budget)

(cf. 6145 - Extracurricular and Cocurricular Activities)

As necessary, the Board may approve fees, deposits, and other charges which are specifically authorized by law. When approving such fees, deposits, or charges, establishing fee schedules, or determining whether waivers or exceptions should be granted, the Board shall consider relevant data, including the socio-economic conditions of COE students' families and their ability to pay.

(cf. 3250 - Transportation Fees)

(cf. 3515.4 - Recovery for Property Loss or Damage)

(cf. 3553 - Free and Reduced Price Meals)

(cf. 5143 - Insurance)

(cf. 9323.2 - Actions by the Board)

The prohibition against student fees shall not restrict the COE from soliciting for voluntary donations, participating in fundraising activities, and providing prizes or other recognition for participants in such activities and events. However, the COE shall not offer or award to a student any course credit or privileges related to educational activities in exchange for voluntary donations or participation in fundraising activities by or on behalf of the student and shall not remove, or threaten to remove, from a student any course credit or privileges related to educational activities, or otherwise discriminate against the student, due to a lack of voluntary donations or participation in fundraising activities by or on behalf of the student.

(cf. 1321 - Solicitation of Funds from and by Students)

(cf. 3290 - Gifts, Grants and Bequests)

Whenever COE employees, volunteers, students, parents/guardians, or educational or civic organizations participate in such events or activities, the Superintendent or designee shall emphasize that participation in the event or activity is voluntary.

A complaint alleging COE noncompliance with the prohibition against requiring student fees, deposits, or other charges shall be filed in accordance with the COE's procedures in BP/AR 1312.3 - Uniform Complaint Procedures. (Education Code 49013)

(cf. 1312.3 - Uniform Complaint Procedures)

FEES AND CHARGES (continued)

If, upon investigation, the COE finds merit in the complaint, the Superintendent or designee shall recommend and the Board shall adopt an appropriate remedy to be provided to all affected students and parents/guardians in accordance with 5 CCR 4600.

Information related to the prohibition against requiring students to pay fees for participation in an educational activity shall be included in the COE's annual notification required to be provided to all students, parents/guardians, employees, and other interested parties pursuant to 5 CCR 4622. (Education Code 49013)

(cf. 4112.9/4212.9/4312.9 - Employee Notifications)
(cf. 5145.6 - Parental Notifications)

The Superintendent or designee may provide additional information or professional development opportunities to administrators, teachers, and other personnel regarding permissible fees.

(cf. 4131 - Staff Development)
(cf. 4231 - Staff Development)
(cf. 4331 - Staff Development)

Legal Reference: (see next page)

FEES AND CHARGES (continued)

Legal Reference:

EDUCATION CODE

8239 *Preschool and wraparound child care services*
8250 *Child care and development services for children with disabilities*
8263 *Child care eligibility*
8482.6 *After School Education and Safety programs*
8760-8774 *Outdoor science and conservation programs*
17453.1 *COE sale or lease of Internet appliances or personal computers to students or parents*
17551 *Property fabricated by students*
19910-19911 *Offenses against libraries*
32033 *Eye protective devices*
32221 *Insurance for athletic team member*
32390 *Fingerprinting program*
35330-35332 *Excursions and field trips*
35335 *School camp programs*
38080-38086 *Cafeteria establishment and use*
38120 *Use of school band equipment on excursions to foreign countries*
39801.5 *Transportation for adults*
39807.5 *Payment of transportation costs*
39837 *Transportation of students to places of summer employment*
48050 *Residents of adjoining states*
48052 *Tuition for foreign residents*
48904 *Liability of parent or guardian*
49010-49013 *Student fees*
49065 *Charge for copies*
49066 *Grades, effect of physical education class apparel*
49091.14 *Prospectus of school curriculum*
51810-51815 *Community service classes*
52612 *Tuition for adult classes*
52613 *Nonimmigrant aliens*
56504 *School records; students with disabilities*
60410 *Students in classes for adults*

GOVERNMENT CODE

6253 *Request for copy; fee*

CALIFORNIA CONSTITUTION

Article 9, Section 5 *Common school system*

CODE OF REGULATIONS, TITLE 5

350 *Fees not permitted*

4600-4687 *Uniform complaint procedures*

UNITED STATES CODE, TITLE 8

1184 *Foreign students*

Legal Reference continued: (see next page)

FEES AND CHARGES (continued)

Legal Reference: (continued)

COURT DECISIONS

Driving School Assn of CA v. San Mateo Union HSD (1993) 11 Cal. App. 4th 1513

Arcadia Unified School District v. State Department of Education (1992) 2 Cal 4th 251

Steffes v. California Interscholastic Federation (1986) 176 Cal. App. 3d 739

Hartzell v. Connell (1984) 35 Cal. 3d 899

CTA v. Glendale School District Board of Education (1980) 109 Cal. App. 3d 738

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

Pupil Fees, Deposits, and Other Charges: Cap and Gown for High School Graduation Ceremony, Addendum to Fiscal Management Advisory 12-02, October 4, 2013

Fees, Deposits and Other Charges, Fiscal Management Advisory 12-02, April 24, 2013

WEB SITES

CSBA: <http://www.csba.org>

California Department of Education: <http://www.cde.ca.gov>

FEES AND CHARGES

When approved by the Governing Board, the Superintendent or designee may impose a fee for the following: (5 CCR 350)

1. Insurance for athletic team members, with an exemption providing for the COE to pay the cost of the insurance for any team member who is financially unable to pay (Education Code 32221)

(cf. 5143 - Insurance)

2. Insurance for medical or hospital service for students participating in field trips and excursions (Education Code 35331)
3. Expenses of students' participation in a field trip or excursion to another state, the District of Columbia, or a foreign country, as long as no student is prohibited from making the field trip due to lack of funds (Education Code 35330)

(cf. 6153 - School-Sponsored Trips)

4. Student fingerprinting program, as long as the fee does not exceed the actual costs associated with the program (Education Code 32390)

(cf. 5142.1 - Identification and Reporting of Missing Children)

5. School camp programs in outdoor science education, conservation education, or forestry operated pursuant to Education Code 8760-8774, provided that the fee is not mandatory and no student is denied the opportunity to participate for nonpayment of the fee (Education Code 35335)

(cf. 6142.5 - Environmental Education)

6. Reimbursement for the direct cost of materials provided by the COE to a student for the fabrication of nonperishable personal property the student will take home for his/her own possession and use, such as wood shop, art, or sewing projects kept by the student (Education Code 17551)
7. Home-to-school transportation and transportation between regular, full-time day schools and regional occupational centers, programs, or classes, as long as the fee does not exceed the statewide average nonsubsidized cost per student and exemptions are made for indigent and disabled students (Education Code 39807.5)

(cf. 3250 - Transportation Fees)

8. Transportation for students to and from their places of employment in connection with any summer employment program for youth (Education Code 39837)

FEES AND CHARGES (continued)

9. Deposit for school band instruments, music, uniforms, and other regalia which school band members take on excursions to foreign countries (Education Code 38120)
10. Sale or lease of Internet appliances or personal computers for the purpose of providing access to the COE's educational computer network, at no more than cost, as long as the COE provides network access for families who cannot afford it (Education Code 17453.1)

(cf. 0440 - COE Technology Plan)

(cf. 6163.4 - Student Use of Technology)

11. Fees for any community service class in civic, vocational, illiteracy, health, homemaking, and technical and general education, not to exceed the cost of maintaining the class (Education Code 51810, 51815)

(cf. 6142.4 - Service Learning/Community Service Classes)

12. Eye safety devices worn in courses or activities involving the use of hazardous substances likely to cause injury to the eyes, when being sold to students and/or teachers or instructors to keep and at a price not to exceed the COE's actual costs (Education Code 32033)

(cf. 3514.1 - Hazardous Substances)

(cf. 5142 - Safety)

13. Actual cost of furnishing copies of any student's records, except that no charge shall be made for furnishing up to two transcripts or two verifications of a former student's records or for reproducing records of a student with a disability when the cost would effectively prevent the parent/guardian from exercising the right to receive the copies (Education Code 49065, 56504)

(cf. 5125 - Student Records)

14. Actual costs of duplication for reproduction of the prospectus of school curriculum or for copies of public records (Education Code 49091.14; Government Code 6253)

(cf. 1340 - Access to COE Records)

(cf. 5020 - Parent Rights and Responsibilities)

15. Food sold at school, subject to free and reduced-price meal program eligibility and other restrictions specified in law (Education Code 38084)

(cf. 3550 - Food Service/Child Nutrition Program)

(cf. 3551 - Food Service Operations/Cafeteria Funds)

(cf. 3552 - Summer Meal Program)

FEES AND CHARGES (continued)

(cf. 3553 - Free and Reduced Price Meals)

(cf. 3554 - Other Food Sales)

16. As allowed in law, replacement cost or reimbursement for lost or damaged COE books, supplies, or property, or for COE property loaned to a student that he/she fails to return (Education Code 19910-19911, 48904)

(cf. 3515.4 - Recovery for Property Loss or Damage)

17. Tuition for COE school attendance by an out-of-state or out-of-country resident (Education Code 48050, 48052, 52613; 8 USC 1184)

(cf. 5111.2 - Nonresident Foreign Students)

18. Adult education books, materials, transportation, and classes, except that no fee may be charged for classes in elementary subjects or for which high school credit is granted when taken by a person who does not hold a high school diploma or, effective July 1, 2015, classes in English and citizenship (Education Code 39801.5, 52612, 60410)

(cf. 6200 - Adult Education)

19. Preschool and child care and development services, in accordance with the fee schedule established by the Superintendent of Public Instruction, unless the family qualifies for subsidized services or the program is for severely disabled children and the student is eligible to enroll in it (Education Code 8239, 8250, 8263)

(cf. 5148 - Child Care and Development)

(cf. 5148.3 - Preschool/Early Childhood Education)

20. After School Education and Safety Programs, as long as no eligible student is denied the ability to participate because of inability to pay the fee (Education Code 8482.6)

21. Advanced Placement and International Baccalaureate Diploma examinations for college credits, as long as the examination is not a course requirement and the results have no impact on student grades or credits in the course

(cf. 6141.5 - Advanced Placement)

SALE OR LEASE OF COE-OWNED REAL PROPERTY

The Lake County Board of Education and the County Superintendent of Schools believe that the COE should utilize its facilities and resources in the most economical and practical manner. The Superintendent or designee shall periodically study the current and projected use of all COE facilities to ensure the efficient utilization of space for the effective delivery of instruction.

(cf. 1330 - Use of School Facilities)
(cf. 7110 - Facilities Master Plan)
(cf. 7111 - Evaluating Existing Buildings)
(cf. 7160 - Charter School Facilities)

Prior to the sale or lease of any surplus real property, the Board shall appoint a COE advisory committee to advise the Board regarding the use or disposition of schools or school building space which is not needed for school purposes. (Education Code 17388-17389)
(cf. 1220 - Citizen Advisory Committees)

Upon determination that COE property is no longer needed, or may not be needed until some future time, the Board shall first submit a report to the local planning agency as to what real property the COE intends to offer for sale or lease. Not less than 40 days after issuance of the report to the local planning agency, and prior to entering into any agreement for sale or lease of COE real property, the Board shall offer to sell or lease COE-owned real property in accordance with priorities and procedures specified in applicable law. (Education Code 17230, 17387-17391, 17457.5, 17464, 17485-17500; Government Code 54222, 65402)
(cf. 5148 - Child Care and Development)
(cf. 5148.2 - Before/After School Programs)
(cf. 5148.3 - Preschool/Early Childhood Education)

In addition, when selling real property purchased, constructed, or modernized with funds received within the past 10 years from a school facilities funding program, the Board shall consider whether any of the proceeds from the sale will need to be returned to the State Allocation Board (SAB) pursuant to Education Code 17462.3.

Resolution of Intention to Sell or Lease

Before ordering the sale or lease of any real property, the Board shall adopt a resolution by a two-thirds vote of all of its members at a regularly scheduled open meeting. The resolution shall describe the property proposed to be sold or leased in such a manner as to identify it, specify the minimum price or rent, describe the terms upon which it will be sold or leased, and specify the commission or rate, if any, which the Board will pay to a licensed real estate broker out of the minimum price or rent. The resolution shall fix a time, not less than three weeks thereafter, for a public meeting, held at the Board's regular meeting place, at which sealed proposals to purchase or lease will be received and considered. (Education Code 17466)

(cf. 9320 - Meetings and Notices)
(cf. 9323.2 - Actions by the Board)

SALE OR LEASE OF COE-OWNED REAL PROPERTY (continued)

The Superintendent or designee shall provide notice of the adoption of the resolution and of the time and place of the meeting that will be held to consider bids by posting copies of the resolution, signed by the Board, in three public places not less than 15 days before the date of the meeting. In addition, the notice shall be published at least once a week for three successive weeks before the meeting, in a newspaper of general circulation published in the county in which the COE is located, if such a newspaper exists. (Education Code 17469)

In accordance with Education Code 17470, the Superintendent or designee shall take reasonable steps to provide notification to the former owners of the property of the COE's intent to sell it.

Acceptance/Rejection of Bids

At the public meeting specified in the resolution of intention to sell or lease property, the Board shall open, examine, and declare all sealed bids. Before accepting a written proposal, the Board shall call for oral bids in accordance with law. (Education Code 17472, 17473)

The Board may reject any and all bids, either written or oral, and withdraw the properties from sale when the Board determines that rejection is in the best public interest. If no proposals are submitted or the submitted proposals do not conform to all the terms and conditions specified in the resolution of intention to lease, the Board may lease the property in accordance with Education Code 17477. (Education Code 17476, 17477)

Of the proposals submitted by responsible bidders which conform to all terms and conditions specified in the resolution of intention to sell or lease, the Board shall finally accept the highest bid after deducting the commission, if any, to be paid to a licensed real estate broker, unless the Board accepts a higher oral bid or rejects all bids. (Education Code 17472)

The final acceptance of the bid may be made either at the same meeting specified in the resolution or at any adjourned/continued meeting held within 10 days. Upon acceptance of the bid, the Board may adopt a resolution of acceptance that directs the Board president, or any other Board member, to execute the deed or lease and to deliver the document upon performance and compliance by the successful bidder of all of the terms and conditions of the contract. (Education Code 17475-17478)

(cf. 1431 - Waivers)

Use of Proceeds

The Superintendent or designee shall ensure that the proceeds from the sale, or lease with an option to purchase, of COE surplus property are used in accordance with law. (Education Code 17462; 2 CCR 1700)

(cf. 3100 - Budget)

(cf. 3460 - Financial Reports and Accountability)

SALE OR LEASE OF COE-OWNED REAL PROPERTY (continued)

Pursuant to the authorization in Education Code 17463.7, the COE may expend proceeds from the sale of surplus real property, along with the proceeds from any personal property located on that real property, for any one-time general fund purpose(s). Before the COE exercises this authority: (Education Code 17463.7)

1. The Board shall submit documents to the SAB certifying that:
 - a. The COE has no major deferred maintenance requirements not covered by existing capital outlay resources.
 - b. The sale of real property pursuant to Education Code 17463.7 does not violate the provisions of a local bond act.

(cf. 7214 - General Obligation Bonds)

- c. The real property is not suitable to meet projected school construction needs for the next 10 years.
2. The Superintendent or designee shall present to the Board, at a regularly scheduled meeting, a plan for expending these one-time resources. The plan shall identify the source and use of the funds and shall describe the reasons that the expenditure shall not result in ongoing fiscal obligations for the COE.

Legal Reference: (see next page)

SALE OR LEASE OF COE-OWNED REAL PROPERTY (continued)

Legal Reference:

EDUCATION CODE

17219-17224 *Acquisition of property not utilized as school site; nonuse payments; exemptions*

17230-17234 *Surplus property*

17385 *Conveyances to and from school districts*

17387-17391 *Advisory committees for use of excess school facilities*

17400-17429 *Leasing property*

17430-17447 *Leasing facilities*

17453 *Lease of surplus district property*

17455-17484 *Sale or lease of real property, especially:*

17457.5 *Offer to charter school*

17462.3 *State Allocation Board program to reclaim funds*

17463.7 *Proceeds for general fund purposes*

17485-17500 *Surplus school playground (Naylor Act)*

17515-17526 *Joint occupancy*

17527-17535 *Joint use of district facilities*

33050 *Request for waiver*

38130-38139 *Civic Center Act*

GOVERNMENT CODE

54220-54232 *Surplus land, especially:*

54222 *Offer to sell or lease property*

54950-54963 *Brown Act, especially:*

54952 *Legislative body, definition*

PUBLIC RESOURCES CODE

21000-21177 *California Environmental Quality Act*

CODE OF REGULATIONS, TITLE 2

1700 *Definitions related to surplus property*

COURT DECISIONS

San Lorenzo Valley Community Advocates for Responsible Education v. San Lorenzo Valley Unified School District, (2006) 139 Cal.App. 4th 1356

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

Closing a School Best Practices Guide

OFFICE OF PUBLIC SCHOOL CONSTRUCTION PUBLICATIONS

Unused Site Program Handbook, May 2008

WEB SITES

CSBA: <http://www.csba.org>

California Department of Education, School Facilities Planning Division: <http://www.cde.ca.gov/ls/fa>

Coalition for Adequate School Housing: <http://www.cashnet.org>

Office of Public School Construction: <http://www.dgs.ca.gov/opsc>

FINANCIAL REPORTS AND ACCOUNTABILITY

Interim Reports

Each interim fiscal report developed pursuant to Education Code 42130 shall include an assessment of the Lake County Office of Education (LCOE) budget as revised to reflect current information regarding the adopted state budget, COE property tax revenues, if any, and ending balances for the preceding fiscal year. (Education Code 42130, 42131)

The interim reports shall be based on State Board of Education (SBE) criteria and standards which address fund and cash balances, reserves, deficit spending, estimation of average daily attendance (ADA), projected enrollment, ratio of ADA to enrollment, projected local control funding formula (LCFF) revenue, salaries and benefits, other revenues and expenditures, and facilities maintenance. For purposes of assessing projections of LCFF revenue, the first interim report shall be compared to the adopted LCOE budget, and the second interim report shall be compared to the projections in the first interim report. (Education Code 42130; 5 CCR 15453-15464)

(cf. 3100 - Budget)

(cf. 3220.1 - Lottery Funds)

(cf. 3300 - Expenditures and Purchases)

(cf. 3314 - Payment for Goods and Services)

The report shall also provide supplemental information regarding contingent liabilities, use of one-time revenues for ongoing expenditures, contingent revenues, contributions (i.e., projected contributions from unrestricted general fund resources to restricted general fund resources, projected transfers to or from the general fund to cover operating deficits in the general fund or any other fund, and capital project cost overruns that may impact the general fund budget), long-term commitments, unfunded liabilities, temporary interfund borrowings, the status of labor agreements, and the status of other funds. (Education Code 42130; 5 CCR 15453, 15464)

(cf. 3110 - Transfer of Funds)

Audit Report

The County Superintendent of Schools or designee shall establish a timetable for the completion and review of the annual audit within the deadlines established by law.

The County Superintendent or designee shall provide the necessary financial records and cooperate with the auditor selected by the Lake County Board of Education to ensure that the audit report contains all information required by law and the Governmental Accounting Standards Board (GASB).

The audit shall include an audit of income and expenditures by source of funds for all LCOE funds, including the student body and cafeteria funds and accounts and any other funds under the control or jurisdiction of the LCOE, as well as an audit of student attendance procedures. The audit shall also include a determination of whether LCFF funds were expended in accordance with the LCOE's local control and accountability plan or an approved annual update of the plan. (Education Code 41020)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

(cf. 0460 - Local Control and Accountability Plan)
(cf. 3430 - Investing)
(cf. 3451 - Petty Cash Funds)
(cf. 3452 - Student Activity Funds)
(cf. 3551 - Food Service Operations/Cafeteria Fund)

If the LCOE participates in the school district of choice program to accept interdistrict transfers, the County Superintendent or designee shall notify the auditor, prior to the commencement of the audit, that the audit must include a review of the LCOE's compliance with specified program requirements. (Education Code 48301)

(cf. 5117 - Interdistrict Attendance)

When required by federal law, specified records pertaining to the audit of federal funds received and expended by the LCOE shall be transmitted to the federal clearinghouse designated by the federal Office of Management and Budget and shall be made available for public inspection. Such records shall be transmitted within 30 days after receipt of the auditor's report or within nine months after the end of the fiscal year, whichever is sooner, unless a longer period is agreed to in advance by the federal agency or a different period is specified in a program-specific audit guide. (31 USC 7502)

If an audit finding results in the LCOE being required to repay an apportionment or pay a penalty, LCOE may appeal the finding to the Education Audit Appeals Panel by making an informal summary appeal within 30 days of receiving the final audit report or initiating a formal appeal within 60 days of receiving the report. (Education Code 41344, 41344.1)

While a public accounting firm is performing the LCOE audit, it shall not provide any nonauditing, management, or other consulting services for LCOE except as provided in Government Auditing Standards, Amendment #3, published by the U.S. Government Accountability Office. (Education Code 41020)

Fund Balance

In accordance with GASB Statement 54, external financial reports shall report fund balances in the general fund within the following classifications based on the relative strength of constraints placed on the purposes for which resources can be used:

1. Nonspendable fund balance, including amounts that are not expected to be converted to cash, such as resources that are not in a spendable form or are legally or contractually required to be maintained intact
2. Restricted fund balance, including amounts constrained to specific purposes by their providers or by law

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

3. Committed fund balance, including amounts constrained to specific purposes by the County Board
4. Assigned fund balance, including amounts which the County Board or its designee intends to use for a specific purpose
5. Unassigned fund balance, including amounts that are available for any purpose

Negative Balance Report

Whenever the LCOE reports a negative unrestricted fund balance or a negative cash balance in its annual budget or annual audit report, it shall include in the budget a statement that identifies the reasons for the negative unrestricted fund balance or negative cash balance and the steps that have been taken to ensure that the negative balance will not occur at the end of the current fiscal year. (Education Code 42127.5)

Non-Voter-Approved Debt Report

Upon approval by the County Board to proceed with the issuance of revenue bonds or any agreement for financing school construction pursuant to Education Code 17170-17199.5, the County Superintendent or designee shall notify the Superintendent of Public Instruction (SPI) and the county auditor. The County Superintendent or designee shall provide the Board, the county auditor, the SPI, and the public with related repayment schedules and evidence of LCOE's ability to repay the obligation. (Education Code 17150)

(cf. 7214 - General Obligation Bonds)

When the Board is considering the issuance of certificates of participation and other debt instruments that are secured by real property and do not require the approval of the voters of the COE, the Superintendent or designee shall provide notice to the County Superintendent and county auditor no later than 30 days before the Board's approval to proceed with issuance. The Superintendent or designee shall provide the Board, the county auditor, the County Superintendent, and the public with information necessary to assess the anticipated effect of the debt issuance, including related repayment schedules, evidence of the COE's ability to repay the obligation, and the issuance costs. (Education Code 17150.1)

Other Postemployment Benefits Report (GASB 45)

In accordance with GASB Statement 45, LCOE's financial statements shall report the annual expense of nonpension other postemployment benefits (OPEBs) on an accrual basis over retirees' active working lifetime, as determined by a qualified actuary procured by the Superintendent or designee. To the extent that these OPEBs are not prefunded, the LCOE shall report a liability on its financial statements.

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

(cf. 4154/4254/4354 - Health and Welfare Benefits)

(cf. 9250 - Remuneration, Reimbursement and Other Benefits)

The County Superintendent or designee shall annually present the estimated accrued but unfunded cost of OPEBs and the actuarial report upon which those costs are based at a public meeting of the Board. (Education Code 42140)

The amount of the LCOE's financial obligation for OPEBs shall be reevaluated every two or three years in accordance with GASB 45 depending on the number of members in the OPEB plan.

Workers' Compensation Claims Report

The County Superintendent or designee shall annually provide the County Board, at a public meeting, information and related actuarial reports showing the estimated accrued but unfunded cost of workers' compensation claims. The estimate of costs shall be based on an actuarial report completed at least every three years by a qualified actuary. (Education Code 42141)