APPENDIX A – REQUEST FOR FISCAL ACCOUNTABILITY STATUS (BOARD AGENDA)

BOARD OF TRUSTEES
MT. SAN ANTONIO COLLEGE

DATE: August 27, 2008 **CONSENT**

SUBJECT: Request for Fiscal Accountability Status

BACKGROUND

On July 25, 2007, the Board of Trustees authorized Mt. SAC to file an application with the Los Angeles County Office of Education (LACOE) in order to obtain Fiscal Accountability Status by July 1, 2008. Unfortunately, this did not occur due to a missed deadline. The missed deadline was mainly the result of a lack of clarity regarding the auditor-controller functions between LACOE and the County of Los Angeles Treasurer & Tax Collector. Therefore, LACOE has requested that we obtain Board approval a second time and complete another application form by September 1, 2008, requesting Fiscal Accountability status as of July 1, 2009.

Currently, the Los Angeles County Superintendent of Schools prints our commercial and payroll warrants. If Mt. SAC continues to process commercial and payroll warrants through the Los Angeles County Superintendent of Schools, it will require that extensive software interfaces be written and maintained. It will also require Fiscal Services to continue to use and maintain the County's PeopleSoft Finance System and Human Resources/Payroll System along with using and maintaining the new Banner Finance and Human Resources/Payroll Systems. This would be extremely inefficient, costly, and labor intensive.

Even though we would not be granted "official" Fiscal Accountability status until July 1, 2009, LACOE is making every effort to allow us to print our own commercial and payroll warrants no later than January 1, 2009.

ANALYSIS AND FISCAL IMPACT

Education Code 85266 provides community colleges with a process to request Fiscal Accountability status, which requires the approval of the Los Angeles County Superintendent of Schools. By obtaining Fiscal Accountability Status, Mt. SAC will be able to utilize all of the Banner modules as they are intended, and for the first time in the history of Mt. SAC, we will have a fully integrated enterprise application system for the entire college.

To obtain Fiscal Accountability status, the College needs to file another application requesting Fiscal Accountability status with the Los Angeles County Superintendent of Schools no later than September 1, 2008. As part of this process, the College was required to develop a Fiscal Accountability Implementation Plan, which was reviewed and approved by the Board of Trustees on February 27, 2008. This Plan will be updated with the Human Resources/Payroll portion and resubmitted to the Board of Trustees for review and approval at a later date.

Prepared by: Linda M. Baldwin Reviewed by: Michael D. Gregoryk

Recommended by: John S. Nixon Agenda Item: Consent #25

SUBJECT: Request for Fiscal Accountability Status

DATE: August 27, 2008

The estimated timeline for this process is as follows:

September 1, 2008	The College files a Fiscal Accountability Application with the County Superintendent of Schools. The County Superintendent's designee will then call for a special audit of Mt. SAC's Human Resources and Payroll system. The audit firm will be hired by the County, but paid by the College to complete the Human Resources/Payroll portion of the audit.
January 1, 2009	The required special audit report for the Human Resources and Payroll system will be completed and filed with the County Superintendent of Schools. The commercial warrant portion of the audit was completed by March 10, 2008, which was not in accordance with statute. Although, the audit firm hired by LACOE, validated that Mt. SAC had been successful in building a Finance system capable of achieving Fiscal Accountability status for Commercial Warrants.
March 1, 2009	The County shall approve or disapprove the College's application based upon the findings of the special audit report. This deadline per statute was missed also.
July 1, 2009	If the Request for Fiscal Accountability Status is approved by the County Superintendent of Schools, the College will begin operations with Fiscal Accountability Status for Payroll and Commercial Warrants.

Funding Source

Unrestricted General Fund - Cost of the special audit of the Human Resources/Payroll system.

RECOMMENDATION

It is recommended that the Board of Trustees approves the District submitting an application on behalf of the Governing Board and the College President/CEO to the Los Angeles County Superintendent of Schools requesting Fiscal Accountability Status, effective July 1, 2009.

Approved by the Board of Trustees at its regular meeting on August 27, 2008.

I attest:

Michael D. Gregoryk, Vice President, Administrative Services

APPENDIX B – FISCAL ACCOUNTABILITY APPLICATION

Los Angeles County Office of Education
Leading Educators ▪ Supporting Students ▪ Serving Communities

Darline P. Robles, Ph.D.
Superintendent

Los Angeles County Board of Education

Leslie K. Gilbert-Lurie
President

Angie Papadakis
Vice President

Sandra Jones Anderson

Sharon R. Beauchamp

Douglas R. Boyd

Rudell S. Freer

Thomas A. Saenz

February 27, 2009

Mt. San Antonio Community College District
Board of Trustees
1100 N. Grand Avenue
Walnut, CA 91789

Dear Board of Trustees:

This letter is to respond to the application from Mt. San Antonio Community College District (Mt. SAC) to request they be approved by the Los Angeles County Office of Education (LACOE) to operate under a fiscally accountable status to LACOE.

In accordance with California Education Code (E.C.) Section 85266, on August 27, 2008, the governing board of Mt. SAC filed a written application with LACOE to seek approval for Fiscally Accountable status. The application requested an effective date of July 1, 2009.

Numerous meetings have been conducted with stakeholders to ensure the systems are capable of performing under the Fiscally Accountable status. The items delineated in the VTD audit report and raised by LACOE are being addressed. Only a few outstanding issues remain to be resolved, but progress is being made. As such, the Los Angeles County Office of Education has reviewed the application and report of financial management and control. The application is **approved** for the fiscal year beginning July 1, 2009.

Mt SAC was required to undergo an audit of their management and accounting controls. The purpose was to determine whether the proper internal controls are in place to provide the appropriate oversight and internal audit function for the issuance of commercial warrants directly through the County Treasury without review and approval by LACOE for scrutiny of the legality and propriety of district accounting transactions. The audit also reviewed the staffing of the accounting, budgeting, contracts, internal audits, management information systems, personnel and procurement departments for adequacy in numbers and skill level to conduct administrative programs independent of detailed review by LACOE.

The independent audits of the proposed preparation and processing of commercial and payroll warrants have been performed. The conclusion of the December 23, 2008, audit by Vavrinek, Trine, Day and Company (VTD) was Mt. SAC "has been successful in building a system capable of achieving Fiscal Accountability status, yet

several significant milestones still need to be met before the district is completely ready for implementation." These were identified in the report with the inclusion of a response from Mt SAC. The audit concludes, "Other than the items noted above, there appears to be no significant impedances toward fiscal accountability."

LACOE will continue to monitor the progress of Mt SAC in implementing the remaining items identified. Approval is granted for Fiscal Accountability status by LACOE and pending items are to be resolved, as determined by LACOE, prior to implementation. Fiscal Accountability status is subject to the on-going approval by LACOE.

Sincerely,

Pamela Fees

Pamela Fees, Director
School Financial Services
Division of Business Services

PF:cji

cc: John Nixon, President/CEO, Mt. SAC
Michael Gregoryk, Vice President, Mt. SAC
Linda Baldwin, Associate Vice President, Mt. SAC
Donald Kenneth Shelton, Assistant Superintendent Business Services, LACOE
Wendy Watanabe, Auditor-Controller, Los Angeles County
John Naimo, Assistant Auditor-Controller, Los Angeles County

APPENDIX C – DESIGNATION OF DISBURSING OFFICER

BOARD OF TRUSTEES
MT. SAN ANTONIO COLLEGE

DATE: February 27, 2008 **CONSENT**

SUBJECT: Draft Fiscal Accountability Plan and Designation of Disbursing Officer

BACKGROUND

On July 25, 2007, the Board of Trustees authorized the College to move forward toward obtaining Fiscal Accountability Status from the Los Angeles County Superintendent of Schools (LACOE). This official request for Fiscal Accountability Status was submitted to LACOE on August 22, 2007.

ANALYSIS AND FISCAL IMPACT

As part of this process, the College developed a Fiscal Accountability Plan (distributed under separate cover), which is now being presented to the Board of Trustees in draft form. Also, during this month, Vavrinek, Trine, Day and Co., LLP (VTD), a well known audit firm chosen by LACOE, will be reviewing Mt. SAC's Fiscal Accountability Plan while performing a complete audit of the College's fiscal processes, procedures, and internal controls. As a result of the audit and review of the draft plan, VTD may recommend changes before it is finalized. Once the audit has been completed, VTD will make their recommendation to LACOE for approval or disapproval in granting Fiscal Accountability Status to Mt. SAC. If the College is approved for Fiscal Accountability Status, this will go into effect on July 1, 2008.

Although this Draft Fiscal Accountability Plan includes both payroll and commercial warrants, the College will only be able to meet the Education Code deadlines for Fiscal Accountability Status for commercial warrants at this time. In order to obtain Fiscal Accountability Status for payroll warrants, the new Banner Human Resources/Payroll System would have to be fully functioning at that time. The Banner Human Resources/Payroll system is due to go live in January 2009, so the soonest we would be able to obtain Fiscal Accountability Status for payroll warrants is July 1, 2009. Although, LACOE has agreed to deputize the College and allow us to print our own payroll warrants as of January 2009, if we can complete another successful audit prior to that date. This would eliminate the need for creating an extensive interface between LACOE's HRS System and Mt. SAC's Banner HR/PR System.

Another requirement to obtaining Fiscal Accountability is for the Board of Trustees to designate the District's Disbursing Officer. It is recommended that the Director, Fiscal Services be given this designation. The Director, Fiscal Services currently oversees the fiscal operations of the District, which includes Accounts Payable and Payroll. Therefore, the job description for the Director, Fiscal Services has been modified to reflect the responsibilities and duties required as a result of Fiscal Accountability Status (distributed under separate cover).

Funding Source

Not applicable.

RECOMMENDATION

It is recommended that the Board of Trustees reviews the Draft Fiscal Accountability Plan and designates the Director, Fiscal Services as the District's Disbursing Officer.

Prepared by: Linda M. Baldwin Reviewed by: Michael D. Gregoryk

Recommended by: John S. Nixon Agenda Item: Consent #

APPENDIX D – BOND – EVIDENCE OF COVERAGE

EVIDENCE OF COVERAGE

Mount San Antonio Community College District

MEMORANDUM NUMBER: 32

This Evidence of Coverage is used as a matter of information only and confers no rights upon the Certificate Holder. This Evidence of Coverage does not amend, extend, or alter the coverage afforded by the memoranda listed below.

CERTIFICATE HOLDER INFORMATION

Employee of Mt. SAC – Linda Baldwin, Associate Vice President
Mt. San Antonio College District
1100 North Grand Avenue
Walnut, Ca 91789

Coverage Period: Effective: 7-1-08 Expires 12:01 a.m.: 7-1-11

This is to certify that the Alliance of Schools for Cooperative Insurance Programs (ASCIP) Memorandum of Coverages on insurance listed below have been issued to the Covered Party named above for the period indicated. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this Evidence of Coverage may be used or may pertain, the coverages afforded by the Memorandum of Coverages described herein are subject to all the terms, exclusions, and conditions of such Memorandum of Coverages.

TYPE OF COVERAGE	LIMIT OF LIABILITY/COVERAGE
Employee Honesty (Crime)	Subject to policy limits, terms, and conditions

Should any of the above coverages for the Covered Party be changed or withdrawn prior to the expiration date issued above, ASCIP will mail 30 days written notice to the Certificate Holder, but failure to mail such notice shall impose no obligation or liability of any kind upon ASCIP, its agents, or representatives. If you have any questions, contact:

Ms. Paula Chu Tanguay, Chief Executive Officer
ASCIP • 16550 Bloomfield Avenue • Cerritos, CA 90703 • (562) 404-8029

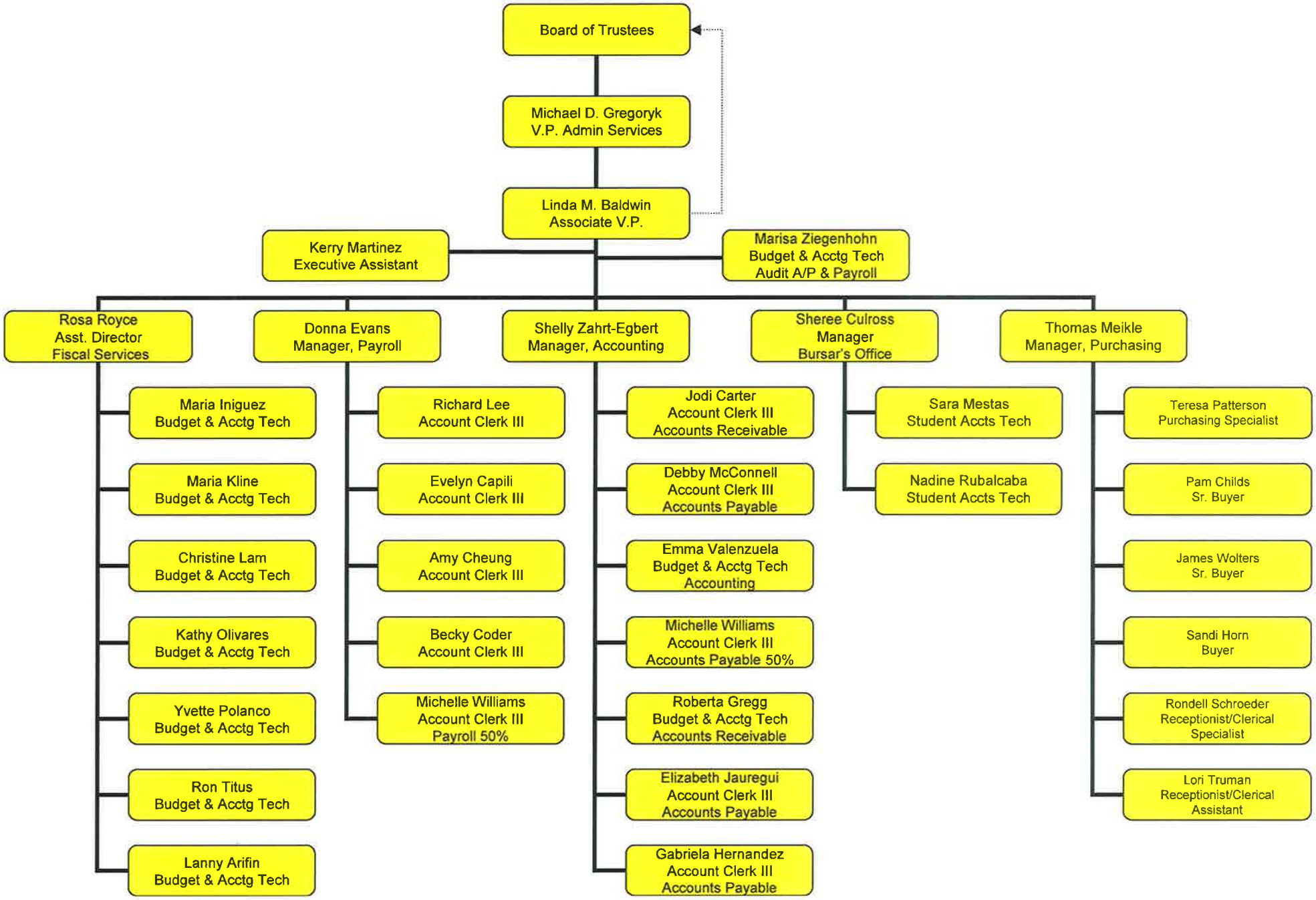
Authorized Representative: _____
Date Issued: **5-4-09, Revised 5-7-09**

* ASCIP is a joint powers authority pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code and Sections 39603 and 81603 of the Education Code.

Rev 5-97
32-08/09-00SC

APPENDIX E – ORGANIZATIONAL CHART – FISCAL SERVICES DEPARTMENT

Fiscal Services D partment



APPENDIX F – ASSOCIATE VICE PRESIDENT, FISCAL SERVICES-DISTRICT DISBURSING OFFICER JOB DESCRIPTION

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

SALARY SCHEDULE: M
SALARY RANGE: 23

CLASS TITLE: ASSOCIATE VICE PRESIDENT, FISCAL SERVICES

BASIC FUNCTION:

Under the direction of the Vice President-Administrative Services, plan, organize, control and direct College-wide Fiscal Services operations and activities including Accounting, Accounts Payable, Accounts Receivable, Bursar Operations, Payroll, Purchasing, Budget Preparation Control, and the preparation, development, monitoring, review, analysis, maintenance and adjustment of College District funds, budgets and accounts; coordinate, direct and participate in financial record-keeping, reporting and related auditing functions to assure accurate and timely accounting and reporting of College accounts and budgets; supervise and evaluate the performance of assigned personnel.

Acts as the District's Disbursing Officer and has independent access to the Governing Board, President/CEO and legal counsel and the authority to follow the advice of legal counsel in reference to determining the legal expenditures of the College.

REPRESENTATIVE DUTIES:

ESSENTIAL DUTIES:
Plan, organize, control and direct College-wide Fiscal Services operations and activities including Accounting, Accounts Payable, Accounts Receivable, Bursar Operations, Payroll, Purchasing, Budget Preparation and Control, and the preparation, development, monitoring, review, analysis, maintenance and adjustment of College District funds, budgets and accounts; establish and maintain fiscal time lines and priorities for the College; assure related activities comply with established standards, requirements, and local, State and federal laws, codes, regulations, policies and procedures.

Acts as the District's Disbursing Officer and has independent access to the Governing Board, President/CEO and legal counsel and the authority to follow the advice of legal counsel in reference to determining the legal expenditures of the College (E.C. 85266). Issues warrants using procedures prescribed by the Los Angeles County Office of Education. Determines that funds are available to cover payments; determine that the adequate documentation exists to substantiate the appropriateness and authenticity of financial transactions. Oversee and direct the audit function for Accounts Payable, Accounts Receivable and Payroll.

Evaluate and maintain proper internal controls and ensure separation of duties among various functions and departments, such as Purchasing and Human Resources. Monitor the integrity of payroll and accounting functions and procedures. Ensure adherence to Board Polices and provide financial information to the Board of Trustees.

Coordinate and direct financial record-keeping, reporting and related auditing functions to assure accurate and timely accounting and reporting of College accounts and budgets; coordinate audits, key control functions and collective bargaining activities in compliance with established requirements; direct and participate in the review and auditing of financial

statements, records and reports to assure accuracy, completeness and compliance with Generally Accepted Accounting Principles.

Supervise and evaluate the performance of assigned personnel; interview and select employees and recommend transfers, reassignment, termination and disciplinary actions; coordinate subordinate work assignments and review work to assure accuracy, completeness and compliance with established standards, requirements and procedures; develop, implement and conduct training activities to assure staff understanding of District accounting practices, procedures and requirements.

Direct and participate in the development, preparation, review and analysis of College budgets and related documents to assure proper allocations, fund disbursement and compliance with legal requirements; evaluate and project annual income and expenditures to determine budget requirements; control and authorize capital spending, contracts and various other expenditures; monitor spending to assure compliance with established limitations.

Plan, organize, control and direct the monitoring, evaluation and reconciliation of College-wide accounts, funds and budgets; direct accounts payable and payroll functions to assure accurate and timely payment of financial obligations and employees; coordinate and assure accurate processing of requisitions, purchase orders and warrants; direct activities to assure proper and accurate recording and processing of cash receipts and other revenue.

Coordinate and direct the calculation, coding, posting and adjustment of journal entries for College-wide financial transactions; assure accurate accounting of funds including income and expenditures; initiate budget and fund transfers and adjustments as appropriate; audit accounts for errors and make appropriate adjustments.

Monitor, evaluate and enhance the current fiscal solvency, effectiveness and efficiency of the College District; develop, implement, analyze and provide technical assistance to administrators concerning fiscal plans, goals, objectives and strategies; provide technical direction to administrators in assuring smooth and efficient fiscal and budgetary functions and activities.

Provide consultation and technical expertise to administrators, personnel, outside agencies and others concerning fiscal and budgetary operations and activities; respond to inquiries and provide detailed and technical information concerning related accounts, funds, budgets, transactions, records, standards, principles, laws, codes, regulations, policies and procedures; assure proper and timely resolution of fiscal issues and discrepancies.

Monitor and analyze fiscal operations, systems and activities for financial effectiveness and operational efficiency; direct the planning, development and implementation of policies, procedures, systems and programs to enhance the financial effectiveness, accuracy, timeliness and operational efficiency of fiscal operations and activities.

Direct and participate in the preparation and maintenance of various financial and statistical records, statements and reports related to budgets, accounts, funds, income, expenditures, projections, audits, fiscal performance and assigned activities; assure

mandated reports are completed and submitted to appropriate State, federal or other funding agency according to established time lines.

Manage the development and implementation of fiscal reporting and special accounting projects; direct the research, compilation, assembly and analysis of a variety of related financial, statistical and budgetary information; investigate and resolve financial issues, errors and discrepancies; develop and implement data collection, analysis and presentation methodology for studies and projects.

Provide technical assistance concerning related budgetary and fiscal matters; maintain confidentiality of sensitive and privileged information.

Plan, organize, control and direct insurance services for the College District including record-keeping, reporting and claims processing functions.

Maintain current knowledge of State and federal laws, codes, rules, regulations and pending legislature related to accounting and budgetary functions; modify programs and procedures to assure compliance with established requirements as necessary; implement accounting standards as needed.

Provide technical information and assistance to the Vice President-Administrative Services concerning fiscal and budgetary activities, needs and issues; assist in the formulation and development of policies, procedures and programs.

Communicate with administrators, personnel and various outside agencies to exchange information, coordinate activities and resolve issues or concerns.

Operate a variety of office equipment including a computer and assigned software.

Attend and conduct a variety of meetings as assigned; serve as a member of the Administrative Services Team; prepare and deliver oral presentations concerning fiscal operations, activities, needs and issues.

Serve as the Vice President-Administrative Services in the absence of the administrator as directed.

OTHER DUTIES:
Perform related duties as assigned.

KNOWLEDGE AND ABILITIES:

KNOWLEDGE OF:
Planning, organization and direction of College District-wide Fiscal Services operations and activities including the preparation, development, monitoring, review, analysis, maintenance and adjustment of College District funds, budgets and accounts.
Accounting, budget and business functions of a college district.
Advanced theory and application of budgetary planning and control in a college system.
Generally accepted accounting and auditing principles, practices and procedures.
Preparation, analysis, review and control of College accounts and budgets.

Applicable laws, codes, regulations, policies and procedures.
Financial and statistical record-keeping techniques.
Financial analysis and projection techniques.
Preparation of financial statements and comprehensive accounting reports.
Fiscal organization, operations, policies and objectives of the College District.
Policies and objectives of assigned programs and activities.
Principles and practices of administration, supervision and training.
Oral and written communication skills.
Interpersonal skills using tact, patience and courtesy.
Operation of a computer and assigned software.

ABILITY TO:
Plan, organize, control and direct College-wide Fiscal Services operations and activities including the preparation, development, monitoring, review, analysis, maintenance and adjustment of College funds, budgets and accounts.
Coordinate, direct and participate in financial record-keeping, reporting and related auditing functions to assure accurate and timely accounting and reporting of College accounts and budgets.
Supervise and evaluate the performance of assigned personnel.
Direct and participate in the development, preparation, review and analysis of College budgets and related documents to assure proper allocations, fund disbursement, fiscal solvency and compliance with legal requirements.
Monitor, evaluate and enhance the current and long-range fiscal solvency, effectiveness and efficiency of the College District.
Assure accurate accounting of funds including income and expenditures.
Evaluate financial and budgetary data and prepare reports, forecasts and recommendations.
Direct the monitoring, evaluation and reconciliation of College accounts, funds and budgets.
Monitor, evaluate and enhance the current and long-range fiscal solvency, effectiveness and efficiency of the College District.
Interpret, apply and explain laws, codes, regulations, policies and procedures.
Communicate effectively both orally and in writing.
Establish and maintain cooperative and effective working relationships with others.
Operate a computer and assigned office equipment.
Analyze situations accurately and adopt an effective course of action.
Meet schedules and time lines.
Work independently with little direction.
Plan and organize work.
Direct and participate in the preparation and maintenance of various financial and statistical records and comprehensive accounting reports.

EDUCATION AND EXPERIENCE:

Any combination equivalent to: bachelor's degree in accounting or related field and seven years increasingly responsible accounting experience involving the review, analysis, maintenance and adjustment of a variety of budgets, funds and accounts including three years in an administrative capacity.

SPECIAL REQUIREMENTS:

Position must by covered by a fidelity bond in the amount of $1,000,000.00.

WORKING CONDITIONS:

ENVIRONMENT:
Office environment.
Driving a vehicle to conduct work.

PHYSICAL DEMANDS:
Hearing and speaking to exchange information and make presentations.
Dexterity of hands and fingers to operate a computer keyboard.
Seeing to read a variety of materials.
Sitting for extended periods of time.

APPENDIX G – BUDGET AND ACCOUNTING TECHNICIAN JOB DESCRIPTION

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

BUDGET AND ACCOUNTING TECHNICIAN

OVERVIEW: Under Supervision, performs complex technical tasks relating to the preparation, maintenance and review of budgets and accounting records to assure accuracy, including payroll; operates computer equipment and does related work as assigned.

EXAMPLES OF DUTIES:

• Performs technical and complex accounting and auditing duties in the preparation, maintenance and review of various financial statements, records, accounts and budgets to assure accuracy and conformance with established policies and procedures
• Installs and maintains salary schedules and other schedules and tables required for the Human Resource/Payroll System
• Analyzes various financial reports and prepares journal entries as requested
• Assists in the preparation and monitoring of campus-wide budgets; processes budget transfers and budget revisions
• Assists in the preparation of accounting and budget reports to the Board of Trustees, Departments and various outside agencies
• Analyzes financial documents to assure accuracy and completeness; conducts research to resolve discrepancies as required
• Assists budget managers, including special projects managers, in problem solving, research and reconciling actual expenditures with budgeted amounts; prepares expenditure and progress reports as requested
• Audits various documents involved in financial transactions, such as claims, vouchers, invoices, requisitions, purchase orders, and contracts, to assure accuracy, completeness and compliance with applicable regulations, requirements and established procedures for special funded programs sponsored by local, State and Federal agencies
• Learns and applies emerging technologies and as necessary to perform duties in an efficient, organized, and timely manner
• Performs special projects and other related duties as assigned

MINIMUM QUALIFICATIONS:

Knowledge of:

• Methods and practices of financial and budget record keeping
• Accounting and auditing principles, practices and procedures
• Methods, practices and terminology used in bookkeeping and financial record keeping in an automated accounting system

• Modern office methods, procedures and equipment
• Computer literacy; various software applications e.g., Microsoft Office, Word, Excel

Ability to:

• Perform complex budget and accounting work without immediate supervision
• Prepare financial summaries and reports
• Interpret, apply and explain rules, regulations, policies and procedures
• Plan, organize and prioritize work
• Make complex arithmetical calculations with speed and accuracy
• Operate office machines such as adding machine, typewriter and computer
• Type memos, letters and forms proficiently
• Communicate effectively, orally and in writing
• Understand and carry out oral and written instructions
• Understand scope of authority in making independent decisions
• Review situations accurately and determine appropriate action according to established guidelines
• Establish and maintain cooperative relationships with those contacted during the course of work
• Work independently with little direction

Education and Experience: Four years of increasingly responsible experience in the maintenance of financial or statistical records. A.A. Degree or successful completion of college courses in accounting and computer application. Bachelor Degree Preferred.

APPENDIX H – LOS ANGELES COUNTY OFFICE OF EDUCATION – COMMERCIAL CLAIMS DOCUMENT CHECK LISTS

Los Angeles County Office of Education

9300 Imperial Highway, Downey, California 90242-2890 • (562) 922-6111

Darline P. Robles, Ph.D., *superintendent*

INFORMATIONAL BULLETIN

Bulletin No. 297

March 25, 2009

TO: Business Administrators
Los Angeles County School and Community College Districts
and Other Local Educational Agencies

FROM: Manoj Roychowdhury, Disbursements and Financial Systems Manager
Accounting and Financial Services
Division of School Financial Services

SUBJECT: Commercial Claims Document Checklist

The purpose of this bulletin is to provide an updated Commercial Claims Document Checklist. The list replaces the checklist previously sent under Info. Bul. No. 17 dated July 12, 2006.

State statutes, as embodied in the California Education Code (EC 42636 and 85236), charge each county superintendent of schools with the responsibility to determine the legality of accounts payable expenditures for local educational agencies (LEA) in their jurisdiction. The checklist identifies the specific items that are required to be provided by the LEA to the Division of School Financial Services (SFS), Commercial Claims Unit for audit before processing payments. SFS staff reviews the documentation and determines if the documents are adequate to establish accuracy, legality and proper authorization of the expenditure.

The district is required to refer to the attached Document Checklist when sending supporting documentation to SFS. It is recommended that a copy of the checklist be distributed to your Purchasing, Facilities and Accounts Payable departments.

Updates on the Commercial Claims Document Checklist

The Commercial Claims Document Checklist was updated to:

- Include the LEA's option to elect, by Board Resolution, to be subject to the procedures set by the California Uniform Public Cost Accounting Act (CUPCAA) under Public Construction Code (PCC) 22010 to raise the formal bid limit from $15,000 to $125,000.
- Include a "Significant Limits" Section. This section summarizes the significant limits the LEA needs to be aware of because there are government codes that need to be complied with when a certain type of expenditure exceeds the specified limit.
- Require "proof of receipt" on all purchases of goods and services.
- Identify which documents are required for initial payment, progress payments, or final payment.

This bulletin is posted on the website at www.lacoe.edu/sfs, click "SFS Resources", select "Bulletins" and search using the bulletin number or keyword "Document Checklist".

The context of the legal codes mentioned in the checklist is also posted on the website. Select "Commercial Claims", click Documents and Forms, type in "Selected Legal Codes".

Should you have any questions regarding this bulletin, please contact Luz Spanks at (562) 922-6454 or spanks_luz@lacoe.edu.

Approved:
Pamela Fees, Director
Division of School Financial Services

MR:rm
Attachment

Info. Bul. No. 297
SFS-A43-2008-09

Los Angeles County
Office of Education

Leading Educators•Supporting Students•Serving Communities

Division of School Financial Services

Commercial Claims Document Checklist

Revised
March 2009

Attachment to
Info.Bul.No.297
SFS-A43-2008-09

Significant Limits and Special Documentation Requirements			
Amount	**Applicable Code**	**Comments**	**Requirements**
$5,000	PCC 9203	Any work to be done, public project or not, amounting to $5,000 or more, retention of at least 5% should be made on progress payments. However, if any time after 50 percent of the work has been completed, the governing board of the Local Educational Agency (LEA) finds that satisfactory progress has been made; it may make any of the remaining progress payment in full for actual work completed.	In order for the voucher to be paid more than 95% of the total project cost, provide proof that the project is complete and the LEA has accepted the actual work completed.
$10,000	EC 39802	Bid Limit for transportation services contract	▪ Advertisement to Bid ▪ Bid Bond ▪ Board Awarding the Bid ▪ Current Contract
$15,000	PCC 20111 for K-12 districts PCC 20651 for community college districts	Bid limit for public projects *The $15,000 bid limit for public project does not apply when the LEA elects to become subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA).*	▪ Advertisement to Bid ▪ Bid Bond ▪ Board Awarding the Bid
$30,000 and $125,000	PCC 22030 - 22045	If the LEA elects to become subject to CUPCCAA, the limit for public projects are raised as follows: a. Public projects of $30,000 or less may be performed by negotiated contract or by purchase order b. Public projects of $125,000 or less may be let to contract by the informal procedures set forth in the Act c. Public projects of more than $125,000 shall be let to contract by formal bidding procedures	▪ Board Resolution electing to become subject to CUPCCAA and; ▪ Notification of such election to the State Controller

Significant Limits and Special Documentation Requirements			
Amount	**Applicable Code**	**Comments**	**Requirements**
$76,700	PCC 20111 for K-12 districts PCC 20651 for community college districts	Bid limit for purchases and non-public projects. Please refer to LACOE Bulletin #214 dated December 18, 2008 for information on Bid Limits and Public Projects.	▪ Advertisement to Bid ▪ Bid Bond ▪ Board Awarding the Bid
$25,000	CC 3251 CC 3247	Any work to be done, public project or not, amounting to $25,000 or more, a payment bond needs to be in place before any funds could be released for the project.	Payment bond amounting to 100% of the total contract price.

Legend: CC = Civil Code PCC = Public Contract Code EC = Education Code

AUDIT REQUIREMENTS BY TYPE OF PAYMENT

If a payment is identified for pre- or post-audit, the following items would be required to be provided by the LEA. Bid limit is governed by PCC 20111/20651, EC 17605/81656 or by PCC 22032 if LEA elected by Board resolution to become subject to California Uniform Public Construction Cost Accounting Act (CUPCCAA).

Description	Object Code	Required Documentation
Books and Supplies		
Books, Instructional Materials and Supplies	4100-4700	1. Invoice with authorized signature 2. Duly Signed Purchase Order or Board Approval 3. Proof of receipt
Other Supplies (including Pupil Transportation Supplies and Food Service Supplies)	4350-4799	1. Invoice with authorized signature 2. Duly Signed Purchase Order or Board Approval 3. Proof of receipt 4. If over bid limit, see "*Expenditures Exceeding Bid Limits*." (Note: Perishable food supplies are not subject to bid; catering contract is good for 5 years)
Services and Other Operating Expenditures		
Travel and Conferences (Education Code Sections 35044, 44032, and 72423)	5200-5299	1. Travel Claims 2. Board Approval of travel/conference 3. Invoices and/or receipts 4. Board Travel and Mileage Policies may be required (if not on file)
Dues and Memberships (Education Code Section 35172)	5300-5399	1. Invoice 2. Authorized List of Membership Organizations with Specific Board Approval
Insurance	5400-5499	1. Invoice 2. Insurance Policy 3. Board Approval
Utilities and Housekeeping Services	5500-5599	1. Invoice 2. Duly Signed Purchase Order 3. If over bid limit, see "*Expenditures Exceeding Bid Limits*."
Lease and Rentals	5610-5629	1. Invoice 2. Contract with Board Approval (recurring lease or long term lease) 3. Purchase Order with Board Approval (one-time lease only) if assigned, need assignment contract 4. Payment Schedule if not contained in contract 5. If over bid limit, see "*Expenditures Exceeding Bid Limits*."

AUDIT REQUIREMENTS BY TYPE OF PAYMENT

If a payment is identified for pre- or post-audit, the following items would be required to be provided by the LEA. Bid limit is governed by PCC 20111/20651, EC 17605/81656 or by PCC 22032 if LEA elected by Board resolution to become subject to California Uniform Public Construction Cost Accounting Act (CUPCCAA).

Description	Object Code	Required Documentation
Repairs/Maintenance	5630-5699	1. Invoice approved by authorized signatory 2. Duly Signed Contract or Purchase Order 3. For payments of more than 95% of the contract price of $5,000 or more, district's acceptance of completion of the project (PCC 9203) 4. Payment bond if work to be done is over $25,000 (CC 3251) 5. If over bid limit, see "*Expenditures Exceeding Bid Limits.*" (Note: Repair Works that are not Public Project, bid limit is $76,700 for 2009.)
Personal Services of Instructional Consultants, Lecturers, and other Instructional Services	5810-5819	1. Invoice Approved by Authorized Signatory 2. Duly Signed Contract 3. Board Approved Purchase Order is sufficient for one-time service only.
Instructional Services	5810-5899	1. Invoice Approved by Authorized Signatory 2. Duly Signed Contract (Note: Transportation Services subject to $10,000 bid limit – Refer to Education Code Section 39802)
Appraisals	5810-5819	1. Invoice 2. Purchase Order with Board Approval (one-time service) 3. Agreement with Board Approval (long-term services)
Legal	5820-5829	1. Invoice Approved by Authorized Signatory 2. Duly Signed Contract 3. Board Approval
Settlement Agreements (Vendors)	5820-5829	1. Settlement agreement signed by both parties and the legal counsels for both parties; or Court Order 2. Board Approval in the open session. (***Note***: Employee Settlement Agreements should be paid through payroll)
Special Assessments	5820-5829	1. Invoice 2. Purchase Order with Board Approval (one-time service) Contract with Board Approval (long-time services)
Advertising	5830-5839	1. Invoice 2. Duly Signed Purchase Order or Board Approval
Non-Instructional Consultants	5850-5859	1. Invoice Approved by Authorized Signatory 2. Duly Signed Contract with Board Approval 3. Board Approval or Purchase Order is sufficient for one-time service

AUDIT REQUIREMENTS BY TYPE OF PAYMENT

If a payment is identified for pre- or post-audit, the following items would be required to be provided by the LEA. Bid limit is governed by PCC 20111/20651, EC 17605/81656 or by PCC 22032 if LEA elected by Board resolution to become subject to California Uniform Public Construction Cost Accounting Act (CUPCCAA).

Description	Object Code	Required Documentation
Operating Services	5840	1. Invoice Approved by Authorized Signatory 2. Duly Signed Contract with Board Approval (Board Approval is sufficient for one-time service) 3. If over bid limit, see "*Expenditures Exceeding Bid Limit*"
Private School Tuition	5870	1. Invoice 2. Master and/or Individual Contract 3. Board Approval
Other Operating Expenses	5890-5899	1. Invoice 2. Duly Signed Purchase Order, Contract, or Board Approval 3. If over bid limit, see "*Expenditures Exceeding Bid Limits.*"
Communications	5900-5998	1. Invoice 2. Approval of Payment by Authorized Signatory

Capital Outlay

Site and Improvement of Site	6100-6199	1. Invoice 2. Duly Signed Contract with Board Approval 3. Escrow Agreement (if acquiring land) 4. If improvement of site is over bid-limit, see "*Expenditures Exceeding Bid Limits*"
Building and Improvements of Buildings	6200-6299	1. Invoice Approved by Authorized Signatory 2. Duly Signed Contract with Board Approval 3. For payments of more than 95% on a contract amount of $5,000 or more, district's acceptance of completion of the project (PCC 9203) 4. Payment bond if work to be done is over $25,000 (CC 3251) 5. If over bid limit, see "*Expenditures Exceeding Bid Limits.*" (Note: Repair Works that are not Public Project, bid limit is $76,700 for 2009.)
Books and Media for School Libraries or Major Expansion of School Libraries	6300-6399	1. Invoice 2. Duly Signed Purchase Order or Contract 3. Proof of receipt 4. If over bid limit, see "*Expenditures Exceeding Bid Limits.*"

AUDIT REQUIREMENTS BY TYPE OF PAYMENT

If a payment is identified for pre- or post-audit, the following items would be required to be provided by the LEA. Bid limit is governed by PCC 20111/20651, EC 17605/81656 or by PCC 22032 if LEA elected by Board resolution to become subject to California Uniform Public Construction Cost Accounting Act (CUPCCAA).

Description	Object Code	Required Documentation
Equipment	6400-6499	1. Invoice 2. Duly Signed Purchase Order or Contract 3. Proof of receipt 4. For payments of more than 95% on installation cost of $5,000 or more, LEA acceptance of completion of work (PCC 9203) 5. Payment bond if installation cost is over $25,000 6. If over bid limit, see "*Expenditures Exceeding Bid Limits.*" (CC 3251)
Equipment Replacement	6500-6599	1. Invoice 2. Duly Signed Purchase Order 3. Proof of receipt 4. For payments of more than 95% on installation cost of $5,000 or more, LEA acceptance of completion of work (PCC 9203) 5. Payment bond if installation cost is over $25,000 6. If over bid limit, see "*Expenditures Exceeding Bid Limits.*" (CC 3251)
Tuition	7110-7199	1. Invoice 2. Approval for payment by Authorized Signatory
Other Transfers Out	7210-7299	1. Invoice 2. Approval for payment by an Authorized Signatory
Debt Service	7639	1. Invoice 2. Approval for payment by Authorized Signatory 3. Certification of Participation Trust Agreement with the schedule of payment
Other Financing Uses	7630-7699	1. Inter-fund Transfer Authorization 2. Board Approval
Abatement of Income	8000	1. Invoice 2. Board Approval
Withholdings-Payroll	9511-9518	1. Invoice or Schedule of Payment 2. Approval by Authorized Signatory

Expenditures Exceeding Bid Limits

(If exempt from bidding, see Audit Requirements for Expenditures Exempt from Bidding, page 12)

PCC 20116. *It shall be unlawful to split or separate into smaller work orders or projects any work, project, service, or purchase for the purpose of evading the provisions of this article requiring contracting after competitive bidding.*

Description	Statutory Code	Required Documentation
Public Projects – including improvement of site and improvement of buildings	1. PCC Section 20111(b) for K-12 districts, PCC 20651(b) for community college districts 6. CC Section 3247 9. PCC 20118.4 for K-12 districts, PCC 20659 for community college districts 10. CC 3186 11. CC 3262 12. PCC 9203 13. CC 3093	**On Initial payment** 1. Advertisement for Bid 2. Bid Bond 3. Board Action Awarding Bid 4. Designation of Subcontractors 5. Duly Signed Contract or Agreement 6. Payment Bond (if over $25,000) 7. Certification of Insurance **For Progress Payments** 8. Certification and Application for payment with the approval of the contractor, architect, inspector, LEA authorized representative 9. Change Orders with Board Approval (Note: Each change order more than 10% of the original contract amount is subject to formal bidding.) 10. Stop Notice (s) (if any) **For Final Payment** 11. Release of Stop Notice (if any) 12. Board Acceptance of Completed Project 13. Recorded Notice of Completion
Public Project with Escrow Agent (District directly deposits retention to Escrow Agent)	1. PCC Section 20111(b) for K-12 districts, PCC 20651(b) for community college districts 6. CC Section 3247 8. PCC 22300 (a) 10. PCC 20118.4 for K-12 districts, PCC 20659 for community college districts	**On Initial payment** 1. Advertisement for Bid 2. Bid Bond 3. Board Action Awarding Bid 4. Designation of Subcontractors 5. Duly Signed Contract 6. Payment Bond (if over $25,000) 7. Certification of Insurance 8. Escrow Agreement (between the LEA, Contractor and the Escrow Agent) **For Progress Payments** 9. Certification and Application for payment with the approval of the contractor, architect, inspector,LEA authorized representative 10. Change Orders with Board Approval (PCC 20118 - change order may be subject to

Expenditures Exceeding Bid Limits

(If exempt from bidding, see Audit Requirements for Expenditures Exempt from Bidding, page 12)

PCC 20116. *It shall be unlawful to split or separate into smaller work orders or projects any work, project, service, or purchase for the purpose of evading the provisions of this article requiring contracting after competitive bidding.*

Description	Statutory Code	Required Documentation
	11. CC 3186 12. CC 3262 13. PCC 9203 14. CC 3093	competitive bidding if more than $15,000) 11. Stop Notice (s) (if any) **For Final Payment** 12. Release of Stop Notice (if any) 13. Board Acceptance of Completed Project 14. Recorded Notice of Completion
Public Project with Escrow Agent (Contractor directly deposits retention to Escrow Agent)	1. PCC Section 20111(b) for K-12 districts, PCC 20651(b) for community college districts 6. Civil Code (CC) Section 3247 8. PCC 22300 (a) 9. PCC 22300 (f) (1) 11. PCC 20118.4 for K-12 districts, PCC 20659 for community college districts 12. CC 3186 13. CC 3262 14. PCC 9203 15. CC 3093	**On Initial payment** 1. Advertisement for Bid 2. Bid Bond 3. Board Action Awarding Bid 4. Designation of Subcontractors 5. Duly Signed Contract 6. Payment Bond (if over $25,000) 7. Certification of Insurance 8. Escrow Agreement (between the District, Contractor and the Escrow Agent) **For Progress Payments** 9. Escrow Agent Notification of Contractor's Deposit (within 10 days of the deposit) 10. Certification and Application for payment with the approval of the contractor, architect, inspector, district authorized representative 11. Change Orders with Board Approval (PCC 20118 - change order may be subject to competitive bidding if more than $15,000) 12. Stop Notice (s) (if any) **For Final Payment** 13. Release of Stop Notice (if any) 14. Board Acceptance of Completed Project 15. Recorded Notice of Completion

Expenditures Exceeding Bid Limits

(If exempt from bidding, see Audit Requirements for Expenditures Exempt from Bidding, page 12)

PCC 20116. *It shall be unlawful to split or separate into smaller work orders or projects any work, project, service, or purchase for the purpose of evading the provisions of this article requiring contracting after competitive bidding.*

Description	Statutory Code	Required Documentation
Service or Repairs	1. PCC Section 20111(b) for K-12 districts, PCC 20651(b) for community college districts 6. Civil Code (CC) Section 3247 10. PCC 20118.4 for K-12 districts, PCC 20659 for community college districts 11. CC 3186 12. CC 3262 13. PCC 9203 14. CC 3093	**On Initial payment** 1. Advertisement for Bid 2. Bid Bond 3. Board Action Awarding Bid 4. Designation of Subcontractors 5. Duly Signed Contract 6. Payment Bond (if over $25,000) 7. Certificates of Insurance **For Progress Payments** 8. Invoice for each payment request with the approval of authorized signatory 9. Certification and Application for payment with the approval of the contractor, architect, inspector, LEA authorized representative 10. Change Orders with Board Approval (PCC 20118 - change order may be subject to competitive bidding if more than $15,000) 11. Stop Notice (s) (if any) **For Final Payment** 12. Release of Stop Notice (if any) 13. Board Acceptance of Completed Project 14. Recorded Notice of Completion
Lease or Rentals	1. PCC Section 20111 (b) for K-12 districts, PCC 20651 (b) for community college districts	**On Initial payment** 1. Advertisement for Bid 2. Bid Bond 3. Board Action Awarding Bid 4. Duly Signed Contract or PO **For Progress Payments** 5. Invoice for each payment request with proof of receipt and the approval of authorized signatory 6. Change Orders with Board Approval (PCC 20118.4 change order may be subject to competitive bidding if more than $76,700)

Expenditures Exceeding Bid Limits

(If exempt from bidding, see Audit Requirements for Expenditures Exempt from Bidding, page 12)

PCC 20116. *It shall be unlawful to split or separate into smaller work orders or projects any work, project, service, or purchase for the purpose of evading the provisions of this article requiring contracting after competitive bidding.*

Description	Statutory Code	Required Documentation
Materials, Equipment, or Supplies Bid limit is adjusted annually to reflect CPI increase. Bid limit in 2009 is $76,700		**On Initial payment** 1. Advertisement for Bid 2. Bid Bond 3. Board Action Awarding Bid 4. Duly Signed Contract or PO 5. Payment Bond (if total cost includes installation) **For Progress Payments** 6. Invoice for each payment request with proof of receipt and the approval of authorized signatory **For Final Payment** 7. Change Orders with Board Approval (PCC 20118.4 change order may be subject to competitive bidding if more than $76,700) 8. Proof of receipt or completion of contract

Audit Requirements for Expenditures Exempt from Bidding

Note: Exemption to bidding does not eliminate the need for any bonds or security otherwise required by law. If cost of purchase includes labor costs and installation, payment bond is required.

Description	Required Documentation
Public Work Projects with Emergency Resolution per PCC 20113	1. Emergency Resolution (see LACOE Bulletin #211 dated 12/16/08) 2. Duly signed Contract or Agreement 3. Designation of Subcontractors 4. Payment Bond (if over $25,000) 5. Certificate of Insurance 6. Certification and Application for Payment with the approval of the contractor, architect, inspector, and LEA representative 7. Change Orders with Board Approval 8. (Note: Change order more than 10% of the original contract amount is subject to formal bidding.) 9. Stop Notices (if any) 10. Release of Stop Notices (if any) 11. Board Acceptance of completed project 12. Recorded Notice of Completion
Materials, Equipment, Modulars, or Supplies over bid limit of $76,700 for 2009 purchased under Piggyback Bid PCC 20118 for K-12 districts, and PCC 20652 community college districts Note: Labor costs should not be piggybacked.	1. Piggyback Bid document with price list from the pertinent public agency 2. Board Approval to Piggyback 3. Contract (if there is any) 4. Duly Signed Purchase Order with detailed list 5. Invoice for each payment request with approval of authorized signatory and proof of receipt of goods (Note: Invoice must show detailed charges to allow each line item to be matched with the piggyback bid price list.)
Materials, Equipment, or Supplies over bid limit of $76,700 for 2009 purchased under California Multiple Award Schedule (CMAS) or other government contracts PCC 10290-10299 and 12100.	1. Contract with price lists 2. Board Approval to go CMAS or use other government contract 3. Duly Signed Purchase Order with detailed list 4. Invoice for Each Payment Request with proof of receipt and approval of authorized signatory (Note: Invoice must show detailed charges to allow each line item be matched with the CMAS or the government contract price list.)
Materials, Equipment, or Supplies over bid limit of $76,700 for 2009 purchased from SOLE SOURCE	1. Board Resolution declaring it as Sole Source Supplier 2. Contract (if there is any) 3. Duly Signed Purchase Order 4. Invoice for each Payment Request with proof of receipt and approval of authorized signatory

Audit Requirements for Expenditures Exempt from Bidding

Note: Exemption to bidding does not eliminate the need for any bonds or security otherwise required by law. If cost includes labor costs and installation, payment bond is required.

Description	Required Documentation
Electronic Data Processing Systems, purchased under PCC 20118.2	1. Board authorization to purchase under PCC 20118.2 2. Publication of Notice of Request for Proposals 3. Board awarding the bid 4. Duly signed contract or Purchase Order 5. Invoice with authorized signatory 6. Proof of receipt or acceptance of completion for final payment

APPENDIX I - PAYROLL FEED TO FINANCE CHECKLIST

MT. SAN ANTONIO COLLEGE

PAYROLL FEED TO FINANCE CHECKLIST

Pay ID: _____ **Pay Period:** _____ **Pay Date:** _____

Process Completed By: _____ **Date:** _____

Completed (✓)

1. Run **PHIJOBS** to see the Payroll Disposition number.
This step is to verify that all Records are at Disposition 60.

M1	M2	MH
❑	❑	❑

2. **NHPFIN1** – (Finance Extract Process) Checks Rule Codes.
a. Printer: "DATABASE"
b. Leave Parameters at "N"
c. Save
d. There is no output
e. You can verify the job completion by reviewing the Log file

M1	M2	MH
❑	❑	❑

3. **PHPFEXP** – (Moves payroll to Disposition 62)
a. Printer: "DATABASE"
b. Fill-in Parameters
c. Save
d. Options/Review Output

M1	M2	MH
❑	❑	❑

4. Run **PHIJOBS** to see the Payroll Disposition number.
The Records should be at Disposition 62.

M1	M2	MH
❑	❑	❑

5. **NHPFIN2 -** (Moves payroll to Disposition 70)

M1	M2	MH
❑	❑	❑

a. Printer: "DATABASE"
b. Fill-in Parameters
   i. Produce Detail Report (Y/N) = **Y**
   ii. Interface Trans to GURFEED = **Y**
   iii. Expenditure Payroll ID = **M1, M2, or MH**
d. Save
e. Write down Log # **M1** _____ **M2** _____ **MH** _____

After NFPFIN2 is run:

a. Options/Review Output
b. Options/Save and Print File
c. Make sure data blocker is off in Firefox
(Tools/Options/Content) Uncheck Block Pop-up Windows
d. **CTRL A** - Select all
e. **CTRL C** - Copy
f. Open Microsoft Word
g. **CTRL V** – Paste
h. **CTRL A** – Select all
i. Change Font size to 8;
j. Page/Setup....Change to Landscape; Change Margins .7 (Top) and .7 (Bottom)
k. Save as NHPFIN2-Payroll ID-Month-Year (example: NHPFIN2-M1-8-2008)

	M1	M2	MH
6. Run **PHIJOBS** to see the Payroll Disposition number. The Records should be at Disposition 70.	❑	❑	❑

	M1	M2	MH
7. **FURFEED** – Finance Sweep Feed Process (Feeds Payroll Data to Finance)	❑	❑	❑

a. Printer: "DATABASE"
b. Fill-in parameters
   i. Report Mode = **S**
   ii. System ID / Time Stamp = **PAYROLL**
c. Save
d. Options/Review Output

	M1	M2	MH
8. **FGRTRNI** – Interface Process (Edits Journal Voucher)	❑	❑	❑

a. Printer: "DATABASE"
b. No parameters
c. Save
d. No output
e. If file is large, let it run for awhile before going to the next step.
You can verify the job completion by reviewing the Log file.

This process edits and validates:

- Open Fiscal Period
- Valid COA
- Valid Rule Codes
- Enforces Rule Codes

	M1	M2	MH
9. **FGRTRNR** - Transaction Error Report	❑	❑	❑

a. Printer: "DATABASE"
b. No Parameters
c. Save
d. Write down Log # **M1** _____ **M2** _____ **MH** _____
e. Options/Review Output
f. Options/Save and Print File

g. **CTRL A** - Select all
h. **CTRL C** - Copy
i. Open Microsoft Word
j. **CTRL V** – Paste
k. **CTRL A** – Select all
l. Change Font size to 8, change layout to Landscape

If there are errors, compare to the NHPFIN2 Report (Search on the Amount)

		M1	M2	MH
10.	**To Fix Errors:**	❑	❑	❑

a. Run **FGAJVCM**
b. Cursor should be in the Journal Voucher Detail Block
c. Enter Query – **F7**
d. Enter **E** in Status Field
e. Execute Query – **F8**
f. Correct (can override existing numbers) with correct FOAPAs, then down arrow
g. Save at last correct record
h. Once the line has been correct the "E" in the status field, should change to "P"
i. **Complete Journal Voucher**
j. HEEL Error = Account number should be a Liability Account
HGRB Error = Gross Benefit Expense

		M1	M2	MH
11.	**FGRACTG** - Posts hours	❑	❑	❑

a. Printer: "DATABASE"
b. No parameters
c. Save
d. Process will happen automatically

		M1	M2	MH
12.	**FGIDOCR** - Shows Journal Voucher that was posted	❑	❑	❑

APPENDIX J – EDUCATION CODE SECTION 85266 AND 85266.5

EDUCATION CODE

85266. With the approval of the county superintendent of schools, the governing board of a community college district may cause warrants to be drawn on the county treasury against designated funds, except debt service, of the district in the county treasury in the payment of expenses of the district. The warrants for salary and other types of claims designated by the county superintendent shall be issued by a person designated as the district disbursing officer for the school district on the county treasury in favor of the persons entitled thereto in payment of all claims in designated categories chargeable against the district which have been legally examined, allowed, and ordered paid by the governing board. The district disbursing officer shall issue warrants, using procedures prescribed by the county auditor, on the county treasury for all debts and demands, within categories designated by the county superintendent, against the district when amounts are legally approved. The form of the warrant shall be prescribed by, and approved by, the county auditor or county treasurer having jurisdiction.

The cost of printing warrants may be charged to the district. Notwithstanding Section 84000, except for assessing and tax collecting, the county auditor and county treasurer may charge those districts that draw their own warrants for additional costs which result from the implementation of this section.

Notwithstanding Section 27005 of the Government Code, or any other provision of law requiring orders for warrants or warrants to be signed by the county superintendent of schools or the county auditor, or both, the county superintendent and county auditor may prescribe alternative procedures for districts to issue warrants. The district disbursing officer shall not be considered a deputy county superintendent of schools or a deputy county auditor. The county treasurer shall pay the warrant in the designated category, if district funds are available.

County officers shall not be responsible for providing reports, statements, or other data relating to, or based on, the designated payments of expenses of the district. Those districts issuing warrants, as provided by this section, shall provide the county superintendent of schools, in the form prescribed by the county superintendent, with the data necessary to make retirement reports and other reports required of him or her by law. All warrants, vouchers, and supporting documents shall be kept by school districts that draw their own warrants in those designated categories.

The county superintendent shall provide for a periodic review of the districts' financial transactions and internal controls pursuant to Section 85237.5.

County superintendents of schools may provide fiscal, budgetary, and data-processing services through contractual agreements to community college districts that have been determined to be fiscally accountable under the provisions of this section.

The person authorized by the governing board of the district to issue warrants, pursuant to this section, shall execute an official bond in an amount fixed by the governing board conditioned upon the faithful performance of his or her duties under this section. A county superintendent or county auditor shall not be liable under the terms of their bonds or otherwise for any warrant issued pursuant to this section. This section shall not be construed as impairing the obligation of any contract in the bond of such officer in effect on January 1, 1977.

A listing of the warrants issued under this section by each community college district shall be forwarded to the county auditor having jurisdiction, upon his or her request, and to the county superintendent of schools having jurisdiction over the district on the same day warrants are issued. The listing, which may be magnetic tape, punched cards, or in other form, shall report, among other things, the warrant number, date of the warrant, amount of the warrant, the name of the payee, and the fund on which drawn. The form and content of the warrant listing shall be as prescribed by the county auditor or county superintendent and approved by the county auditor or county superintendent having jurisdiction.

Each district which issues warrants pursuant to this section shall furnish monthly to the county superintendent of schools and the county auditor of the county of jurisdiction, upon his or her request, a statement showing for the current fiscal year to date, for each required expenditure classification, the amount budgeted, actual expenditures, encumbrances and unencumbered balances.

In order to obtain the approval of the county superintendent of schools and county auditor for fiscally accountable status, the governing board of a community college district shall file a written application with the county superintendent of schools and county auditor having jurisdiction on forms which the county superintendent shall prescribe. Upon receipt of an application from the district, the county superintendent shall cause an audit to be made of the district's management and accounting controls, in accordance with standards prescribed by him or her, by an independent certified public accountant or public accountant approved by the county superintendent, who shall report his or her findings and recommendations to the county superintendent and to the applicant district. The audit report may include Department of Finance guidelines and other assessments of fiscal management as required by the county superintendent or the audit may be the report of the annual district audit pursuant to Section 84040 if that is acceptable to the county superintendent of schools. The cost of the audit required in support of a district's application for fiscal accountability shall be borne by the applicant district.

The county superintendent and county auditor shall review the district's application and report of financial management and control and may approve the application if they find the management and accounting controls of the district to be adequate. If the county superintendent and county auditor determine that such management and accounting controls are inadequate, they shall disapprove the application.

A district that applies for fiscal accountability status shall file its written application with the county superintendent of schools on or before September 1. The required audit of financial management and accounting controls shall be filed on or before January 1. When a district's application for fiscal accountability status has been approved by the county superintendent of schools and county auditor, the issuance of warrants by the district pursuant to this section shall be effective at the beginning of a fiscal year, provided that approval had been made prior to the preceding first day in March. If disapproved, the county superintendent of schools shall state the specific steps which are required to be taken by the applicant district to receive approval and these changes shall be certified as completed by an independent certified public accountant or public accountant before the county superintendent shall approve the application. If at any time the county superintendent of schools or the county auditor determines that the financial management or accounting controls of the district have become inadequate, either officer may revoke approval for fiscal accountability status effective immediately.

85266.5. (a) With the approval of the Board of Governors of the California Community Colleges, the governing board of a community college district may cause to be drawn all warrants on the county treasurer against all the funds, except debt service, of the district in the county treasury in the payment of the expenses of the district. The warrants shall be issued by a person designated as the district auditor or district disbursing officer for the district on the county treasurer in favor of the persons entitled thereto in payment of all claims chargeable against the districts which have been legally examined, allowed, and ordered paid by the governing board. The district auditor shall issue warrants on the county treasurer for all debts and demands against the district when the amounts are fixed by law. The form of the warrant shall be as prescribed by the governing board and approved by the county auditor or county treasurer.

(b) Notwithstanding Section 85231, the cost of printing the warrants shall be borne by the district.

(c) No county officer shall be responsible for producing reports, statements, and other data relating to or based on these payments of the expenses of the districts. Those districts issuing warrants as provided by this section shall provide the county superintendent of schools, in the form prescribed by him or her, with the data necessary to make retirement reports and other reports required of him or her by law. All warrants, vouchers, and supporting documents shall be kept by the districts that draw their own warrants.

(d) Notwithstanding Section 27005 of the Government Code, or any other section requiring orders for warrants or warrants to be signed by the county superintendent of schools or the county auditor, or both, the county treasurer shall pay the warrant, if money is available.

(e) Notwithstanding Section 84000, except for assessing and tax collecting, the county auditor and the county treasurer may charge those districts that draw their own warrants, and those districts shall pay, for the cost of all fiscal services.

(f) The person authorized by the governing board of the district to issue warrants pursuant to this section shall execute an official bond in an amount fixed by the governing board conditioned upon the faithful performance of his or her duties under this section. A county superintendent of schools or a county auditor shall not be liable under the terms of his or her bond or otherwise for any warrant issued pursuant to this section. It is not intended that this provision shall be applied so as to impair the obligation of any contract in the bond of the officer in effect on the effective date of this section.

(g) A listing of the warrants issued under this section by each district shall be forwarded to the county auditor, upon his or her request, and to the county superintendent of schools on the same day warrants are issued. The listing, which may be magnetic tape, punch cards, or in other form, shall report, among other things, the warrant number, date of the warrant, amount of the warrant, the name of the payee, and the fund on which drawn.

(h) The form and content of the warrant listing shall be as prescribed by the governing board and approved by the county auditor.

(i) Each district which issues warrants pursuant to this section shall furnish monthly to the county superintendent of schools and the county auditor of the county of jurisdiction, upon his or her request, a statement showing the current fiscal year to date, for each required expenditure classification, the amount budgeted, actual expenditures, encumbrances and unencumbered balances.

(j) In order to obtain the approval of the board of governors, a community college district shall file a written application with the county superintendent of schools. Upon receipt of an application from the district, the county superintendent of schools shall cause a survey to be made of the district's accounting controls by an independent certified public accountant or public accountant in accordance with standards prescribed by the board of governors. The certified public accountant or public accountant shall report his or her findings and recommendations to the county superintendent, county auditor, and to the applicant district.

(k) The county superintendent shall forward the district's application, together with his or her other recommendations and the recommendations of the county auditor and a report of the survey, to the board of governors for approval or disapproval of the application. The board of governors shall approve the application only if it finds that the accounting controls of the district are adequate. If the board of governors determines that these controls are inadequate, it shall disapprove the application.

(l) The county superintendent of schools shall be reimbursed for all costs incident to the accounting controls survey made pursuant to the district's application, from the district's funds.

(m) When approved by the board of governors, the issuance of warrants pursuant to this section shall be effective at the beginning of the fiscal year if the approval had been made prior to the preceding first day in January. In the event that the issuance of warrant has been disapproved, the board of governors shall state the specific steps which must be taken by the district in order to receive approval. If at any time the county superintendent of schools determines that the accounting controls of the district have become inadequate, he or she may recommend to the board of governors that the approval be revoked, to be effective on the first day of the next following fiscal year.

85267. Article 3 (commencing with Section 29850) of Chapter 5 of Division 3 of Title 3 of the Government Code shall be applicable to any community college district authorized to issue warrants pursuant to Section **85266** or 85266.5; except that whenever any reference is made in that Article 3 commencing with Section 29850) to (1) the county auditor, or (2) the general fund of the county, that reference shall be deemed, for purposes of this section, to be to (1) the person authorized by the community college district governing board to issue warrants pursuant to Section 85266 or 85266.5, and (2) the general fund of the community college district, respectively.

APPENDIX K – FISCAL ACCOUNTABILITY STATUS – APPROVAL LETTER

Los Angeles County Office of Education

Leading Educators ▪ Supporting Students ▪ Serving Communities

June 26, 2009

Darline P. Robles, Ph.D.
Superintendent

Los Angeles County Board of Education

Leslie K. Gilbert-Lurie
President

Angie Papadakis
Vice President

Sandra Jones Anderson

Sharon R. Beauchamp

Douglas R. Boyd

Rudell S. Freer

Thomas A. Saenz

Mr. Fred Chyr
President, Board of Trustees
Mt. San Antonio Community College District
1100 N. Grand Avenue
Walnut, CA 91789

Dear Mr. Chyr:

This letter is a follow-up to the letter written on February 27, 2009, approving the application Mt. San Antonio Community College District (Mt. SAC) requested from the Los Angeles County Office of Education (LACOE) to operate under a Fiscal Accountability status to LACOE for the fiscal year beginning July 1, 2009.

On December 23, 2008, Vavrinek, Trine, Day and Company (VTD) submitted their audit in accordance with California Education Code (E.C.) Section 85266 to LACOE. The auditors indicated the system in place was capable of achieving Fiscal Accountability but at the conclusion of the audit several significant milestones still needed to be met before the district would be completely ready for implementation.

LACOE has worked closely with the Mt. SAC administration over the past six months and has agreed that the proper internal controls, personnel and systems are in place. These areas individually and collectively assure that Mt. SAC can provide the appropriate oversight and internal audit function for the issuance of payroll and commercial warrants.

Meetings have continued to be conducted with stakeholders to ensure the systems are capable of performing under the Fiscally Accountable status. The items delineated in the VTD audit report and raised by LACOE have been successfully addressed. All pending items were resolved, and therefore **LACOE is now issuing unrestricted approval of Fiscal Accountability status.**

Please be aware that Fiscal Accountability status is subject to the on-going approval by LACOE. LACOE has provided Mt. SAC administration with documents outlining the responsibilities they will be required to fulfill to retain their Fiscal Accountability status.

(over)

9300 Imperial Highway, Downey, California 90242-2890 (562) 922-6111

Included with this approval letter are the *Fiscal Accountability Responsibilities* and *Fiscal Accountability Chart*. These documents outline the functions that will be performed by Mt. SAC, as well as LACOE and the Los Angeles County Auditor-Controller/Treasurer and Tax Collector.

Sincerely,

Pamela Fees, Director
School Financial Services
Division of Business Services

PF:lt
enclosures

cc: David Hall, Vice President, Board of Trustees
Judy Chen Haggerty, Clerk, Board of Trustees
Roseanne Bader, Member, Board of Trustees
Manuel Baca, Member, Board of Trustees
John Nixon, President/CEO, Mt. SAC
Michael Gregoryk, Vice President, Mt. SAC
Linda Baldwin, Associate Vice President, Mt. SAC
Donald Kenneth Shelton, Assistant Superintendent Business Services, LACOE
Wendy Watanabe, Auditor-Controller, Los Angeles County
John Naimo, Assistant Auditor-Controller, Los Angeles County

APPENDIX L – REQUEST FOR FISCAL INDEPENDENCE STATUS (BOARD AGENDA)

BOARD OF TRUSTEES
MT. SAN ANTONIO COLLEGE

DATE: August 24, 2011 **CONSENT**

SUBJECT: Request for Fiscal Independence Status

BACKGROUND

On August 27, 2008, the Board of Trustees authorized Mt. SAC to file an application with the Los Angeles County Superintendent of Schools in order to obtain Fiscal Accountability status, effective July 1, 2009.

On June 26, 2009, the Mt. SAC Board of Trustees received notification from the Los Angeles County Superintendent of Schools granting approval of Fiscal Accountability status, effective July 1, 2009. Mt. SAC was given documents outlining the responsibilities required to fulfill and retain Fiscal Accountability status.

Fiscal Services has now been operating with Fiscal Accountability status for two fiscal years, beginning July 1, 2009. Mt. SAC is now requesting authorization from the Board of Trustees to begin the application process to obtain Fiscal Independence status.

ANALYSIS AND FISCAL IMPACT

Under Education Code, Section 85266.5, Fiscal Independence is granted upon the approval of the Board of Governors of the California Community College Systems Office, based largely on the recommendation from the Los Angeles County Superintendent of Schools and the Los Angeles County Auditor, based on the results of an assigned independent Certified Public Accountant firm's survey of Mt. SAC's accounting controls. By obtaining Fiscal Independence status, Mt. SAC will have broad authority to issue warrants without the review or approval of the Los Angeles County Superintendent of Schools or the Los Angeles County Auditor/Controller.

The Board of Governors' approval of Mt. SAC's application for Fiscal Independence will be based on the following standards:

Standard 1: **Adequate Fund Balances** – The district has avoided deficit balances in its funds and has maintained a prudent reserve in its unrestricted general fund over the preceding five fiscal years.

Prepared by: Linda M. Baldwin Reviewed by: Michael D. Gregoryk
Recommended by: Bill Scroggins Agenda Item: Consent #23

SUBJECT: Request for Fiscal Independence Status

DATE: August 24, 2011

Standard 2: **Statute and Governing Board** – The district makes only lawful and appropriate expenditures in carrying out the programs authorized by statute and by the governing board.

Standard 3: **Adequate Internal Controls** – The staff of the accounting, budgeting, contracts, management information systems, internal audits, personnel, and procurement departments are adequate in numbers and skill level to administer administrative programs independent of detailed review by the county office of education and to provide an internal audit function that assures adequate internal controls.

Standard 4: **Legality and Propriety of Transactions** - The staff of the accounting, budgeting, contracts, management information systems, internal audits, personnel, and procurement departments exercise independent judgment to assure the legality and propriety of transactions.

The estimated timeline for this process is as follows:

September 1, 2011	The College files a Fiscal Independence Application with the County Superintendent of Schools and the State Chancellor's Office. The County Superintendent's designee will then call for a special audit study of Mt. SAC's accounting systems. The audit firm will be hired by the County, but paid by the College.
October 15, 2011	The audit firm completes the audit study and submits its report to the Los Angeles County Superintendent of Schools, the Los Angeles County Auditor/Controller, and the Chancellor's Office.
October 1, 2011	The Los Angeles County Superintendent of Schools and the Los Angeles County Auditor/Controller's Office submit their recommendation to the Chancellor's Office.
October 2011	The Chancellor's Office submits an Agenda Item for the Board of Governors meeting.
October 27-28, 2011	Board of Governors approves or disapproves Mt. SAC's request for Fiscal Independence status.
December 15-16, 2011	Board of Governors last meeting before statutory deadline. The above schedule is pretty aggressive, so this could be a back-up approval date.

SUBJECT: Request for Fiscal Independence Status

DATE: August 24, 2011

Funding Source

Unrestricted General Fund - cost of the special audit.

RECOMMENDATION

It is recommended that the Board of Trustees approves submitting an application to the Los Angeles County Superintendent of Schools requesting Fiscal Independence status.

APPENDIX M – FISCAL INDEPENDENCE APPLICATION – LOS ANGELES COUNTY SUPERINTENDENT OF SCHOOLS AND CALIFORNIA COMMUNITY COLLEGES SYSTEM OFFICE

MT. SAN ANTONIO COLLEGE
1100 North Grand Avenue
Walnut, CA 91789-1399
909-274-7500 • www.mtsac.edu

legacy of excellence
1946–2011

California Community Colleges
District Application for Fiscal Independence

TO: Los Angeles County Superintendent of Schools
Pamela Fees, Director of School Financial Services
9300 Imperial Highway, Education Center, Room 216
Downey, CA 90242-2890

California Community Colleges System Office
Frederick E. Harris, Assistant Vice Chancellor
1102 Q Street
Sacramento, CA 95814-6511

The Mt. San Antonio Community College District hereby applies for fiscal independence in issuing its own warrants under the provisions of Education Code Section 85266.5. The district superintendent and chief financial officer acknowledge that fiscal independence for the district is predicated on the continuing adherence to the following Board of Governors standards:

Standard 1: **Adequate Fund Balances**: The district has avoided deficit balances in its governmental funds and has maintained a prudent reserve in its unrestricted general fund over the preceding five fiscal years.

Standard 2: **Statute and Governing Board**: The district makes only lawful and appropriate expenditures in carrying out the programs authorized by statute and by the governing board.

Standard 3: **Adequate Internal Controls**: The staff of the accounting, budgeting, contracts, management information systems, internal audits, personnel, and procurement departments are adequate in numbers and skill level to conduct administrative programs independent of detailed review by the county office of education and to provide an internal audit function that assures adequate internal controls.

Standard 4: **Legality and Propriety of Transactions**: The staff of the accounting, budgeting, contracts, management information systems, internal audits, personnel, and procurement departments exercise independent judgment to assure the legality and propriety of transactions.

President of the Governing Board

8/24/11
Date

Chief Executive Officer

8/25/11
Date

District Financial Officer

8/25/11
Date

BOARD OF TRUSTEES
Dr. Manuel Baca • Rosanne M. Bader • Judy Chen Haggerty, Esq. • Fred Chyr • Dr. David K. Hall
COLLEGE PRESIDENT / CEO – Dr. William Scroggins

MT. SAN ANTONIO COLLEGE
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Walnut, CA 91789-1399
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FISCAL INDEPENDENCE APPLICATION
for
Mt. San Antonio Community College District

In accordance with California Education Code (E.C.) Section 85266.5, the governing board of the Mt. San Antonio Community College District is filing this written application with the Los Angeles County Office of Education (LACOE) to seek approval for fiscal independence status effective July 1, 2012. Exhibit A is a proposed timeline for the phased implementation of the specified functions.

The contact person at the district is:

Linda M. Baldwin Name	Associate Vice President, Fiscal Services Title
(909) 274-5517 Telephone number	lbaldwin@mtsac.edu e-mail address

Per E.C. 85266.5(j), "In order to obtain the approval of the board of governors, a community college district shall file a written application with the county superintendent of schools. Upon receipt of an application from the district, the county superintendent of schools shall cause a survey to be made of the district's accounting controls by an independent certified public accountant or public accountant in accordance with standards prescribed by the board of governors. The certified public accountant or public accountant shall report his or her findings and recommendations to the county superintendent, county auditor, and to the applicant district."

Further, per E.C. 85266.5(l), "The county superintendent of schools shall be reimbursed for all costs incident to the accounting controls survey made pursuant to the district's application, from the district's funds."

Manuel Baca Clerk of the Board of Trustees	8/24/11 Date
William J. Scroggins President/CEO	8/25/11 Date

This completed form should be returned to:

Pamela Fees, Director of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Education Center, Room 216
Downey, CA 90242-2890
Tel: (562) 922-6421 Fax: (562) 922-6365

cc: Arturo Delgado, Los Angeles County Superintendent of Schools
Patricia Smith, Interim Assistant Superintendent, Business Services, LACOE

BOARD OF TRUSTEES
Dr. Manuel Baca • Rosanne M. Bader • Judy Chen Haggerty, Esq. • Fred Chyr • Dr. David K. Hall
COLLEGE PRESIDENT / CEO – Dr. William Scroggins