



Pleasant Valley School District

Fiscal Review

November 6, 2009

Joel D. Montero
Chief Executive Officer



CSIS California School Information Services

November 6, 2009

Luis C. Villegas, Jr., Superintendent
Pleasant Valley School District
600 Temple Avenue
Camarillo, CA 93010

Dear Superintendent Villegas:

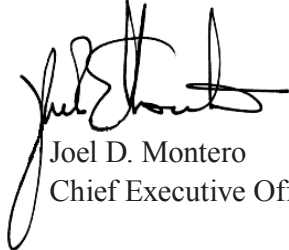
In August, the Pleasant Valley School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into a study agreement for FCMAT to perform the following:

1. Conduct an organization, functions, and staffing review of specific positions in the district's business office, including director of finance, supervisor of purchasing, purchasing technician, delivery driver, supervisor of accounting, and accounting assistants for payroll/accounts receivable/accounts payable.
2. Provide recommendations for improvements, when applicable, with a focus on the following:
 - a) Changes to job descriptions
 - b) Possible restructuring of positions
 - c) The ability of staff to cover core functions while maintaining an appropriate level of customer service to other district departments and school sites
 - d) Potential automation of purchasing functions
 - e) Use of technology to enhance all aspects of business/financial services

This report contains the study team's findings and recommendations. We trust the information it contains will be beneficial to all concerned.

Thank you for allowing us to serve you, and please give our best regards to all the employees of the Pleasant Valley School District.

Sincerely,



Joel D. Montero
Chief Executive Officer

FCMAT

Joel D. Montero, Chief Executive Officer

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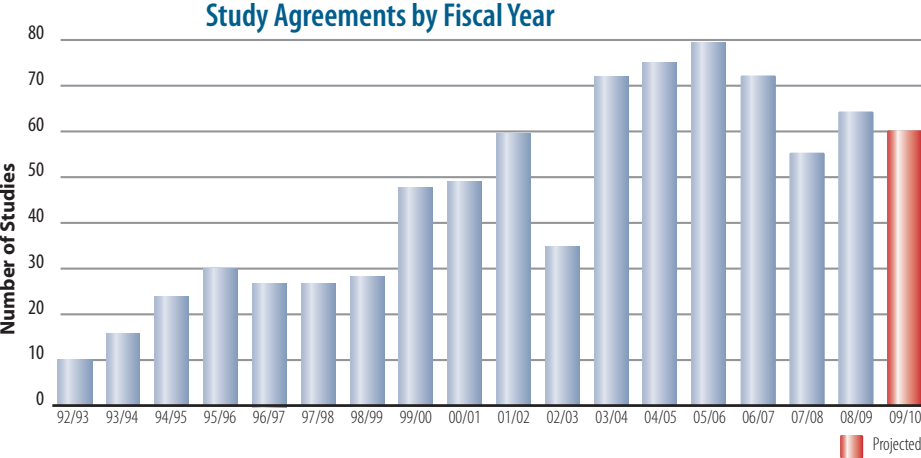
Foreword - FCMAT Background

The Fiscal Crisis and Management Assistance Team (FCMAT) was created by legislation in accordance with Assembly Bill 1200 in 1992 as a service to assist local educational agencies (LEAs) in complying with fiscal accountability standards.

AB 1200 was established from a need to ensure that LEAs throughout California were adequately prepared to meet and sustain their financial obligations. AB 1200 is also a statewide plan for county offices of education and school districts to work together on a local level to improve fiscal procedures and accountability standards. The legislation expanded the role of the county office in monitoring school districts under certain fiscal constraints to ensure these districts could meet their financial commitments on a multiyear basis. AB 2756 provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans. These include comprehensive assessments in five major operational areas and periodic reports that identify the district’s progress on the improvement plans.

In January 2006, SB 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT’s services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform nearly 750 reviews for local educational agencies, including school districts, county offices of education, charter schools and community colleges. Services range from fiscal crisis intervention to management review and assistance. FCMAT also provides professional development training. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The agency is guided under the leadership of Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.



Total Number of Studies.....	743
Total Number of Districts in CA.....	982
● Management Assistance.....	705 (94.886%)
● Fiscal Crisis/Emergency	38 (5.114%)
Note: Some districts had multiple studies.	
● Districts (7) that have received emergency loans from the state.	
(Rev. 1/22/09)	

Introduction

Background

Located in Ventura County, the Pleasant Valley School District has a five-member elected governing board and serves approximately 7,290 students in kindergarten through eighth grade. The district has seven elementary, two K-8 and two middle schools and is the authorizing agency for two charter schools. Pleasant Valley met all the requirements for Adequate Yearly Progress in 2008 and has achieved an Academic Performance Index of 846.

In May 2009 the Fiscal Crisis and Management Assistance Team (FCMAT) received a request from the district for management assistance. The study agreement specifies that FCMAT will complete the following:

1. Conduct an organization, functions, and staffing review of specific positions in the district's business office, including director of finance, supervisor of purchasing, purchasing technician, delivery driver, supervisor of accounting, and accounting assistants for payroll/accounts receivable/accounts payable.
2. Provide recommendations for improvements, when applicable, with a focus on the following:
 - a) Changes to job descriptions
 - b) Possible restructuring of positions
 - c) The ability of staff to cover core functions while maintaining an appropriate level of customer service to other district departments and school sites
 - d) Potential automation of purchasing functions
 - e) Use of technology to enhance all aspects of business/financial services

Study Guidelines

FCMAT visited the district on September 3 and 4, 2009 to conduct interviews, collect data and review documentation. This report is the result of those activities and is divided into the following sections:

- I. Executive Summary
- II. Organizational Structure
- III. Business and Financial Department Staffing
- IV. Staffing Comparisons
- V. Appendix

Study Team

The FCMAT study team was composed of the following members:

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*As members of this study team, these consultants were not representing their employers but were working solely as independent contractors for FCMAT.

Executive Summary

In the last fiscal year, several changes have occurred in the Pleasant Valley School District's Business and Financial Services Department. These changes include the closure of the district warehouse and copy center, approval of the director of finance position and the resignations of the supervisor of purchasing, accounting supervisor and one accounting assistant. The district filled the director position in November 2008 but has left the other three positions vacant.

Because of several changes in the department and the number of vacancies, the district decided to conduct a review to determine whether staffing levels are appropriate to provide for the necessary business office functions and the proper level of customer service to school sites and departments.

The district should be staffed according to basic theories of organizational structure and standards used in other school agencies of similar size and type. The district structure should reflect the generally accepted theories of organizational structure, which include span of control, chain of command, and line and staff authority. Based on a review of comparison districts and interviews with the staff, Pleasant Valley is slightly understaffed in the Business Department. The district should consider increasing the staff by one full-time equivalent position by either filling the vacant accounting assistant position or developing and filling a position with a slightly higher level of job requirements and duties. The district should also consider eliminating the supervisor of purchasing and accounting supervisor positions and transferring the supervisory functions to the director of finance.

Some staff members need additional training on the Escape financial system and in software programs such as Excel. In addition, recent organizational structure and staffing changes required some duties to be shifted among positions. To get a better understanding of the amount of time required for the tasks assigned to each position, the district should consider assigning each business office staff member to complete a one-month time analysis.

Although several district employees have experience in and knowledge of other job duties, little or no cross-training occurs in some of the department's key functions. This includes some of the tasks associated with purchasing, accounts receivable, accounts payable, employee benefits and payroll. These tasks are essential to the district's operations, and lack of cross-training could place the district at risk.

The district should consider assigning the department's administrative assistant to provide clerical support as needed, to the director of finance. The district should also consider changing the administrative assistant's office location so that it is closer to the assistant superintendent's office. More duties that are associated with the department's financial and budget aspects should be assigned to the administrative assistant.

With the closing of the warehouse and the copy center, several central office purchasing functions have been altered or eliminated. The school sites and departments are responsible for direct, online purchase of basic office, custodial, and school supplies. These changes should serve to consolidate the staff members necessary in the Purchasing Department. However, the district should also ensure that the appropriate training has been provided to the school site staff members responsible for these duties and determine whether increased time may temporarily be necessary to accommodate training needs.

If the supervisor of purchasing position is eliminated, some of the job duties would presumably be transferred to the purchasing technician. Depending on the duties assigned, the purchasing technician's current class specifications may be inadequate. The personnel commission should analyze the specifications and salary range to determine any necessary adjustments. The purchasing technician should also receive additional training on best purchasing practices and bidding processes and procedures.

The district should continue with full implementation of the online purchase requisition/purchase order process, ensure that the site and department personnel responsible for these duties have been provided necessary training, and require that the online system be used. The district should also consider using a more efficient process, such as the U.S. Communities Government Purchasing Alliance Program to streamline the purchasing tasks at the district and site levels. This program allows local educational agencies to purchase goods and services through contracts that have been previously competitively bid.

The staff indicated that a complete physical inventory of the district's assets has not been completed since 2005, and additions to the district's inventory have not been tagged since the warehouse was eliminated. In accordance with Education Code section 35168, the district's Administrative Regulation 3440, and the Code of Federal Regulations, the district is required to maintain an inventory of equipment for all items with a value of more than \$500 and complete a physical inventory every two years. The district should place required asset tags on items as they are received and consider assigning the delivery driver to complete the physical inventory during the summer.

A sound internal control structure requires job duties to be segregated to properly protect the district's assets. No single employee should handle a transaction from initiation to reconciliation, and no single employee should have custody of an asset (such as cash or inventory) and maintain the records of related transactions. The district's internal control weaknesses include the following:

- The same employee prepares invoices, collects the payments related to the invoices and enters the transactions into the districts records.
- The accounts payable staff has custody of warrants after they are processed by the county office.

- The same employee is responsible for the collection and processing of developer fees.

To separate duties and provide better internal controls, the district should consider reassigning some of these duties from the accounts payable accounting assistant to other staff members.

The employee benefits specialist reports to the assistant superintendent. With the exception of the administrative assistant, all other positions reporting directly to the assistant superintendent are management staff members. The district should consider changing the designation of the employee benefits specialist's supervisor to the director of finance so that all positions associated with the processing of payroll and employee benefits report to the same supervisor.

Findings and Recommendations

Organizational Structure

A school district's organizational structure should establish the framework for leadership and the delegation of specific duties and responsibilities. As the district's enrollment increases or declines, the organizational structure should adapt as necessary to the changes. The district should be staffed according to basic, generally accepted theories of organizational structure and the standards used in other school agencies of similar size and type. The most common theories of organizational structure are span of control, chain of command, and line and staff authority.

Span of Control

Span of control refers to the number of subordinates reporting directly to a supervisor. While there is no agreed-upon ideal number of subordinates for span of control, it is generally agreed that the span can be larger at lower levels of an organization than at higher levels because subordinates at the lower levels typically perform more routine duties, and therefore can be more effectively supervised.

Chain of Command

Chain of command refers to the flow of authority in an organization and is characterized by two significant principles. Unity of command suggests that a subordinate is only accountable to one supervisor, and the scalar principle suggests that authority and responsibility should flow in a direct vertical line from top management to the lowest level. The result is a hierarchical division of labor.

Line and Staff Authority

Line authority is the relationship between supervisors and subordinates. It refers to the direct line in the chain of command. For example, the assistant superintendent of business services has direct line authority over the director of finance, and the director of finance has direct line authority over the Finance Department staff. Conversely, staff authority is advisory in nature. Staff personnel do not have the authority to make and implement decisions, but act in support roles to line personnel. The organizational structure of local educational agencies contains both line and staff authority.

The purpose of any organizational structure is to help district management make key decisions to facilitate student learning while balancing its financial resources. The organizational design should outline the management process and its specific links to the formal system of communication, authority, and responsibility necessary to achieve the district's goals and objectives.

Business and Financial Services Department Staffing

The Business and Financial Services Department is overseen by the assistant superintendent of business and financial services who has served in this position since February 2008 and has 15 years of prior experience at neighboring school districts. The department's organizational chart shows that the following positions report directly to the assistant superintendent: administrative assistant, employee benefits specialist, director of facilities, maintenance and operations, transportation supervisor, director of finance, and food services coordinator.

Interviews indicated that while the department appears to be understaffed, it operates as efficiently and effectively as possible with the current number of staff members. The department is perceived as effective in providing reliable information to the governing board, school sites and departments; however, during interviews, the site and department staff indicated that the level of service has decreased.

This decrease in service level has occurred partly because the Finance Department recently experienced significant turnover, leaving several positions staffed by new employees and several vacant. Those vacant include the supervisors of purchasing and accounting and an accounting assistant, all reporting to the director of finance. The retirement and resignation of long-term employees has created a loss of institutional knowledge in the department that has an impact throughout the district. As a cost-cutting measure, the district also closed the warehouse and the copy center in July 2008 and July 2009, respectively. The functions formerly handled by those departments are no longer performed at the district level.

Because many department employees are new to their positions, some staff members need additional training on the Escape financial system and in software programs such as Excel. In addition, the organizational structure and staffing changes have required some duties to be shifted among positions. To obtain a clearer understanding of the amount of time required for the tasks assigned to each position, the district should consider assigning each business office staff member to complete a one-month time analysis.

Internal Controls

Internal controls are the foundation of sound financial management and allow districts to fulfill their educational mission while helping ensure efficient operations, reliable financial information and legal compliance. Internal controls also help protect the district from material weaknesses, serious errors and fraud.

All educational agencies should establish internal control procedures to perform the following:

1. Prevent internal controls from being overridden by management.
2. Ensure ongoing state and federal compliance.
3. Provide assurance to management that the internal control system is sound.
4. Help identify and correct inefficient processes.
5. Ensure that employees are aware of the proper internal control expectations.

Districts should apply the following basic concepts and procedures to their transactions and reporting processes to build a solid internal control structure:

System of checks and balances

Formal procedures should be implemented to initiate, approve, execute, record and reconcile transactions. The procedures should identify the employee responsible for each step and the time period for completion. Key areas of checks and balances include payroll, purchasing, accounts payable and cash receipts.

Segregation of duties

Adequate internal accounting procedures should be implemented and changes made as needed to segregate job duties and properly protect the district's assets. No single employee should handle a transaction from initiation to reconciliation, and no single employee should have custody of an asset (such as cash or inventory) and maintain the records of related transactions.

Staff cross-training

More than one employee should be able to perform each job. Each staff member should be required to use accrued vacation time, and another staff member should be able to perform those duties. Inadequate cross-training is often a problem even in the largest central business offices.

Use of prenumbered documents

An outside printer should print checks, sales/cash receipts, purchase orders, receiving reports and tickets. Physical controls should be maintained over the check stock, cash receipt books and tickets. It is not sufficient to simply use prenumbered documents. A log of the documents and numbers should be maintained and reconciliation performed periodically.

Asset security

Cash should be deposited daily, computer equipment should be secured, and access to supplies/stores, food stock, tools and gasoline should be restricted to designated employees.

Timely reconciliations

Bank statements and account balances should be reconciled monthly by an employee independent from the original transaction and recording process. For example, a central office accountant should reconcile ASB accounts every month, and the district office employee who reconciles the revolving checking account should not also maintain the check stock.

Comprehensive annual budget

The annual budget should include revenues and expenditures by school site, department and resource in sufficient detail to identify variances and determine whether financial goals were achieved. Material variances in revenues and expenditures should be investigated promptly and thoroughly. This includes ensuring that potential revenues and expenditures for ASB funds are identified at the start of each year.

Inventory records

Inventory records should be maintained that identify the items and quantities purchased and sold or designated as surplus. Physical inventory should be taken periodically and reconciled with inventory records. Typical inventoried items include computer equipment, warehouse supplies, food service commodities, maintenance and transportation parts, and student store goods.

Although several district employees have experience and knowledge of other job duties and areas in the Business and Financial Services Department, little or no cross-training occurs for some of the department's key functions. This includes some tasks in purchasing, accounts receivable, accounts payable, employee benefits and payroll. These tasks are essential to the district's operations, and the lack of cross-training could place the district at risk.

Desk procedure manuals are important to ensure proper internal controls and provide a better understanding of each position's responsibilities. The majority of the positions in the Business and Financial Services Department lack desk manuals that include step-by-step procedures for each job duty. In one particular instance, a comprehensive desk manual was not developed and a retired employee was hired to train her successor.

Recommendations

The district should:

1. Provide additional training for staff members on the Escape financial system and in software programs such as Excel.
2. Consider having each business office staff member complete a one-month time analysis.

3. Ensure that effective internal control processes have been implemented and that employees are cross-trained in all key areas of responsibility.
4. Develop individual desk manuals for each position and ensure that each employee includes in his or her manual the step-by-step procedure for all assigned duties.

Administrative Assistant

The administrative assistant reports to the assistant superintendent of business and financial services. The job description for this position includes the following as some of the essential functions and representative duties:

- Perform responsible technical and complex secretarial duties; plan, organize and coordinate operating procedures, communications and administrative support functions to relieve the administrator of administrative and clerical details; assure smooth operations of an assigned office.
- Make telephone calls to verify, receive or transmit information; receive, open and screen incoming mail; independently compose replies according to established guidelines and procedures.
- Perform administrative tasks related to the assigned area of responsibility involving tracking of financial matters.
- Prepare and maintain a variety of records and files including confidential information; maintain confidentiality of information and records.
- Compose confidential memos, letters or other materials independently or from rough draft; prepare agenda items from oral or written instructions.
- Prepare agenda items and materials for board meetings; research and collect information; attend meetings as assigned; record, transcribe and distribute minutes as directed; act on items approved by the board as directed.
- Maintain budget records and files; gather and compile information required by assigned administrator for budget development.
- Research and compile information and compute statistical data for federal, state and district reports, departmental budget and special projects as assigned. (Specifically including the PL81-874 Impact Aid Application.)
- Prepare and maintain a variety of comprehensive records, reports and files including confidential information; maintain confidentiality of information and records.
- Attend a variety of meetings; prepare and send notices; collect and compile information; record proceedings according to established procedures; prepare and distribute minutes.
- Perform related duties as assigned.

The person assigned to this position has been with the district for 19 years and has been the administrative assistant for the last nine years. Prior assignments with the district were in the Maintenance and Operations Department and other clerical positions in the Human Resources and Business and Financial Services departments.

The administrative assistant provides clerical support to the assistant superintendent of business and financial services. Although the director of finance position typically does not need clerical support on a routine basis, the administrative assistant should be assigned to provide this support as needed.

During the administrative assistant's tenure, this position's office location changed several times. Sometimes it was adjacent to the assistant superintendent and other times, as with the current location, it was several offices away. This geographic separation creates difficulty in supervising the position and hampers communication between the assistant superintendent and the administrative assistant.

Interviews with various personnel indicated that this position is not generally viewed as part of the Business and Financial Services Department. In addition, routine duties that could be incorporated into the administrative assistant position are performed by other Business Department personnel, and duties that could be performed by other departments are performed by this position. For example, the administrative assistant has been assigned to update the collective bargaining agreement for the Service Employees International Union (SEIU). This duty may best be performed in the Human Resources Department since that department completes revisions to other collective bargaining agreements.

Additional training may be necessary to utilize this position to its full extent. With some additional training in software programs such as Excel and PowerPoint, the administrative assistant could be assigned additional duties related to the financial and budget aspects of the Business Department. The duties that could be considered for transfer to this position include invoicing, ordering supplies for the department, picking up and distributing mail for the department, processing warrants for mailing/distribution, reconciliation of the developer fee account, and handling the revolving cash account.

Recommendations

The district should:

1. Consider assigning the administrative assistant to provide clerical support to the director of finance.
2. Change the location of the administrative assistant's office so that it is closer to the assistant superintendent of business and financial services.
3. Provide the administrative assistant with additional training in software programs such as Excel and PowerPoint.

4. Transfer duties related to other departments, such as Human Resources, to those departments.
5. Consider reassigning some of the accounting assistant's duties to the administrative assistant.

Director of Finance

The director of finance position was approved in September 2008 and reports to the assistant superintendent of business and financial services. The position supervises the fiscal services staff, which is comprised of two accounting assistants for payroll, one accounting assistant that processes accounts payable and several other accounting transactions, and one temporary accounting position assigned to special projects. Two vacant fiscal services positions, the accounting supervisor and one additional accounting assistant, also would report to the director. The director of finance should assume all the supervisory functions of the accounting supervisor position.

The director of finance also supervises personnel in the Purchasing and Copy Center. The district organizational chart shows that the Purchasing Department is comprised of a supervisor of purchasing, purchasing technician, copy services technician and delivery driver. Because of needed cost-saving measures, the district closed the copy center on July 1, 2009. The supervisor of purchasing position is also vacant. The director of finance should assume the supervisory functions of the former supervisor of purchasing. With the elimination of district warehousing and copying services, oversight of all purchasing tasks should be assumed by the director. The director should supervise and evaluate the purchasing technician. The director of finance's current class specifications should not need to be changed.

The director of finance's job description indicates that the position's tasks are to "plan, organize, control and direct the activities and operations of the financial services department; develop, maintain and monitor the district budget; develop and implement procedures and policies for the department; supervise and evaluate the performance of assigned personnel." The director is also responsible for timely and efficiently managing the district's fiscal activities, including accounting, budgeting, accounts payable, payroll, accounts receivable, purchasing, monitoring of categorical funds, and attendance accounting.

The class specifications included in the job description are appropriate and consistent with the work assigned to this position. Emphasis should be placed on organizing the operations of all aspects of the financial services department. One class specification indicates that the director will provide "advice of unusual trends or problems and recommend appropriate corrective action." This part of the job classification should be carefully followed, and the assistant superintendent of business and financial services

should be apprised of any policy, procedure, or program anomalies in a timely manner, particularly in the current difficult economic times.

The director of finance was hired in November 2008 and came to the district with approximately 11 years of school district experience. The director has been with the district for less than a year and does not appear to have assumed the full range of duties assigned to the position. The last several months focused on budget development and the unaudited actuals report. FCMAT's on-site review occurred in early September, and it was appropriate to concentrate on these budget activities prior to that time. However, there seems to be a lack of understanding of the Escape system's functions.

Escape is the financial reporting software used by the Ventura County Office of Education and its member districts. This software contains the accounting and position control systems utilized by the district for its financial activities. Several district employees indicated they are reluctant to use the Escape system because they believe the county office plans to upgrade the financial software. To be effective in the director position, it is essential to have a thorough knowledge of the accounting and position control systems. This should include how information is entered into these systems, what the system does with it and how the information feeds into and affects other program applications.

Much attention should be focused on fully learning and using the position control system. The duties related to the entry of data and maintenance of the system are divided between the Human Resources and Business Services departments, and information from position control is used to drive the payroll system. Interviews indicated that while care is taken to ensure accurate information is entered into the system, the Financial Services Department does not double-check this data to ensure correct information is uploaded into the budget during each reporting period. One specific area of concern is that positions that are vacated during the fiscal year are not retained in the position control system. This omits from the budget the amounts that should be included to reserve funding for those open positions.

One of the most critical elements in budgeting for expenditures is accurately projecting employee salary and benefit costs. These costs are the largest part of school district budgets, averaging approximately 90% of the unrestricted general fund budget in elementary districts throughout the state. A reliable position control system establishes positions by site or department and helps prevent overbudgeting or underbudgeting of staff by including all district-approved positions. In addition, a reliable position control system prevents the omission from the budgeting process of routine annual expenses tied to district positions such as substitutes, extra duty pay, stipends, vacation payouts and estimated column changes.

Another of the director's essential functions is to, "Review and develop pupil attendance and student body accounting procedures; verify attendance accounting reports; research and resolve attendance accounting issues; monitor attendance reports." Because student attendance provides the majority of a school district's funding, this task is traditionally supervised by the Business Department. When the district developed the director's job duties, this function was incorporated into the job description; however, student attendance reporting is completed by a staff member in the superintendent's office.

Recommendations

The district should:

1. Assign the director of finance to perform the supervisory functions of the accounting supervisor.
2. Assign the director of finance to perform the supervisory functions of the supervisor of purchasing.
3. Provide the director with additional training in purchasing and bidding procedures.
4. Provide the director with additional training in the Escape software system.
5. Ensure that the Business Services Department reviews the information entered into the position control system, paying particular attention to any vacant positions.
6. Consider transferring student attendance reporting functions to the Business and Financial Services Department.

Supervisor of Purchasing

The supervisor of purchasing resigned in February 2009, and the district hired a former employee to temporarily fill the position. The district has no major construction projects, and none are anticipated in the near future. The supervisor of purchasing historically supervised district purchasing functions and those that were performed in the warehouse and copy center, which were located at the district office. The warehouse and copy center were eliminated on July 1, 2008 and July 1, 2009, respectively. As a result, the duties performed by the temporary employee closely resemble those of the purchasing technician.

The supervisor's duties included items related to purchasing, bidding, warehousing, delivery, copying needs, audiovisual maintenance, and supervision and staff evaluation. Although the warehouse and copy center were closed, central duties related to audiovisual

maintenance continue. It is unusual for a district of this size to internally maintain audiovisual equipment except for computer technology and peripherals, and these are best coordinated by the Information Services/Technology Department. Other audiovisual equipment may best be maintained by the Technology or Maintenance and Operations Department if in-house staff members have the appropriate expertise. If not, the district should consider using an outside vendor for audiovisual maintenance.

The supervisor's job description also includes maintaining and distributing Material Safety Data Sheets (MSDS) and coordinating and maintaining the Hazardous Material Plan. If the supervisor of purchasing position is not filled, the district should consider transferring these duties to the Maintenance and Operations Department.

Recommendations

The district should:

1. Consider eliminating the supervisor of purchasing position and transferring this position's supervisory functions to the director of finance.
2. Consider transferring bidding duties to the assistant superintendent of business and financial services.
3. Review its past record of audiovisual maintenance needs and transfer these functions to the Technology Department, Maintenance and Operations Department or an outside vendor.
4. Consider transferring the MSDS and Hazardous Material Plan duties to the Maintenance and Operations Department.
5. Provide the employees assuming new duties with any necessary training.

Purchasing Technician

The purchasing technician has worked for the district in a permanent position for nine years and has worked as a purchasing technician for the last three years. Since the resignation of the supervisor of purchasing, many of the supervisor's duties have been divided among various other district employees. The purchasing technician has been assigned some of these tasks, including textbook orders, contract maintenance, supply catalog maintenance, and sale of surplus property. Many of these duties are new to the purchasing technician, and additional training on best purchasing practices and bidding processes and procedures is needed.

If the supervisor of purchasing position is eliminated, some of the job duties would presumably be assumed by the purchasing technician. If so, the current class specifications for the purchasing technician position may not be adequate, depending on the duties assigned. The personnel commission should analyze the class specifications and salary range to determine any necessary adjustments.

Several purchasing functions were altered or eliminated. The copy center and warehouse were closed, and individual school sites are responsible for the direct purchase of basic office, custodial, and school supplies through online purchases. Textbooks are sent directly to the school sites for inventory, stamping, and storage. These changes eliminated some of the central purchasing duties and should serve to consolidate the necessary staff in the Purchasing Department. However, the district should ensure that the proper training has been provided to the site staff members responsible for these duties and determine whether increased time is necessary, on a temporary basis, to accommodate the changes.

The purchasing technician's job description lists its basic function as performing a variety of technical duties in support of the district's purchasing functions. However, one of its main functions is processing purchase orders, which can be a time-consuming task if performed manually. In an effort to streamline the purchase order process, the district began implementing online purchase requisition/purchase order processes using the Escape software system and established a September 2009 deadline for districtwide implementation. Interviews indicated that there is confusion as to the status of the implementation. While employees are aware of the new process, some feel they need additional training to utilize the program successfully. Others have serious reservations about the continued use of the Escape system based on the perception that the county office may upgrade or change the financial system. As a result, they are hesitant to commit time and energy to learning the system. Yet others indicated that they have been instructed to discontinue using the online process. Consequently, the purchasing technician receives some requisitions online and some on paper. Those not entered online at the site or department level must be manually entered into the Escape software by the purchasing technician. Once the purchase requisition is entered into Escape, and online approvals are received, the purchasing technician prints the purchase orders and distributes them to the vendors, sites and departments.

Purchase orders may be approved for a single purchase or as a blanket or open purchase order. A blanket or open purchase order is issued to a single vendor for a specified dollar amount, covers a specific time period (such as a quarter), and states the name of the individuals authorized to make purchases using the order. This is for internal control purposes. Interviews with various district staff members indicated that blanket/open purchase orders lacked the same oversight and review controls as those for a single purchase. For example, if the district issues a blanket purchase order of \$3,000 to Office Depot in the first quarter of a school year, nothing prohibits the purchase of a \$1,000

file cabinet even if the same cabinet is available from another vendor at half the price. The school sites also purchase custodial supplies using the blanket/open purchase order system. Because of a lack of oversight, some school sites reportedly order too much of some products and not enough of others. In addition, the site staff may not have the expertise needed to ensure the proper custodial products are purchased.

When the warehouse closed, functions related to ordering the supplies maintained there were transferred to sites and departments. The Purchasing Department provides a spreadsheet identifying the items previously kept in the warehouse and the price of each item from the four vendors offering the lowest prices. The instructions for online ordering sent to the sites and departments included the following statement, “We are supplying you with all bid pricing so **you** can make the best decision on where to order from.” The sites and departments interpreted this instruction to mean they are required to order each item from the vendor offering the lowest price, creating an inordinate amount of work. For example, green paper may be ordered from one vendor, white paper from another and pencils from yet another. If the district wishes to continue going to bid on its own for each supply item, a better approach may be to total the price of all items on the former warehouse product list by vendor, and use the vendor that offers the lowest overall price. This method may not result in using the lowest price for each item; however, it should produce the lowest total cost and result in a less confusing and time-consuming process at the site and department level.

Another method the district should consider for purchasing supplies is the U.S. Communities Government Purchasing Alliance Program. This program allows local educational agencies to purchase goods and services through contracts that have been competitively bid. School districts throughout the state order supplies using these contracts because it can reduce paperwork, save staff time and simplify ordering. More information can be obtained on the following Web sites:

<http://www.casbo.org> (click on “Strategic Partnerships”)
<http://www.uscommunities.org>

Since the warehouse closed, sites have been instructed to order paper by the pallet to obtain the lowest price. However, sites report that they lack the space to store these pallets. The Purchasing Department should contact paper supply vendors to determine whether it is possible to enter into an arrangement allowing the district to order a large quantity of paper and the vendor to act as the storage facility. The school sites order paper as needed from the vendor, who takes it from the supply stored for the district and bills as product is ordered.

Because duties related to ordering supplies were transferred to the sites, they should receive as much support and training as possible. During interviews, many comments were made about the need for additional training and the perceived lack of communication from the business office. Requests for training included the Escape system in general, the online purchase requisition system, the running of reports, instructions to help with commonly used processes in Escape, the location to send copy center jobs since the copy center is closed, flow charts detailing how information moves in the business office, explanations of business office rules, questions and training related to online ordering with approved vendors, and periodic updates/trainings to keep communication flowing during the year.

The duties assigned to the purchasing technician include maintenance of the fixed asset inventory system. Education Code section 35168 and the district's Administrative Regulation (AR) 3440 require the district to maintain an inventory of equipment for all items valued at more than \$500 with a complete physical inventory conducted every two years (34 Code of Federal Regulations section 80.32). The staff indicated that a complete physical inventory of the district's assets has not been completed since 2005 and that additions to the district's inventory have not been tagged since the warehouse was eliminated.

Recommendations

The district should:

1. Conduct a reclassification study of the purchasing technician position to include class specifications, job title, knowledge and abilities, and salary range. Completing this study should allow the district to consider establishing a single position responsible for purchasing functions under the supervision of the director of finance.
2. Provide the purchasing technician with additional training on best purchasing practices and bidding processes and procedures.
3. Provide training, information, and increased temporary hourly allocations as necessary to the school sites and departments affected by the warehouse and copy center closure and by direct ordering and receipt of supplies and textbooks.
4. Continue with full implementation of the online purchase requisition and purchase order process, and establish a new end date for traditional/paper processing (if necessary). The district should also provide additional training to all sites and departments as needed to implement the system, and require that all sites and departments use the online system by the specified date.
5. Institute procedures to provide authorization for blanket/open purchase orders to ensure that proper products are purchased.

6. Ensure that all requisitions for custodial supplies are approved by the director of maintenance and operations.
7. Consider using a contract that has been competitively bid, such as the U.S. Communities contract with Office Depot, for the purchase of supplies. If the district decides to continue bidding on its own for supplies formerly stocked in the warehouse, it should determine the vendor providing the lowest total price on all items instead of providing sites with the names and prices from several vendors.
8. Contact paper supply vendors to determine whether it is possible to enter into an arrangement that allows the district to order a large quantity of paper and the vendor to function as the storage facility. Under this agreement, the vendor would charge the district as the paper is ordered from its supply.
9. Design an in-service training for sites/departments to provide additional training in Escape related to the user's job duties.
10. Provide an annual training for the school site and department clerical staffs regarding business office processes and procedures.
11. Immediately conduct a complete physical inventory of all fixed assets of the district with a value of \$500 or more.
12. Implement procedures to ensure placement of inventory tags on all items received by the district with a purchase price of more than \$500.

Delivery Driver

The delivery driver was assigned to report to the supervisor of purchasing but is now assigned to report to the director of finance. The personnel commission recently classified this position, and the class specifications appear to be appropriate. However, the job description provided to FCMAT did not include in the eligibility requirements a minimum lifting weight and a means to assess an applicant's ability in operating forklifts and pallet jacks.

The driver's responsibilities include picking up and delivering interdistrict mail, materials, equipment and deposits to local banks; receiving, sorting and routing internal and external mail; delivering mail to the US Postal Service; processing supply returns; tagging inventory items and updating the inventory system as needed. This position also transports audiovisual equipment for repair; transports the sound system and maintains the signature log; and picks up disposal and surplus items from school sites and departments. The delivery driver works six hours a day and is a 12-month position, but before the warehouse was eliminated, this was an eight-hour position. The individual in the position has been employed by the district for one and one-half years in this classification.

The district should carefully consider the safety issues involved in carrying of large sums of cash while collecting and delivering money and deposits to local banks. Every school district is faced with this dilemma because of funds collected in programs such as food services and the associated student body. While risk is inevitable, it is important to ensure proper procedures are followed to reduce the amount of risk.

A position such as the delivery driver typically is utilized in summer to provide summer-school sites with their normal operating services and to complete duties that cannot be performed when students and staff are on site. Because of budget cuts, the district has not offered summer school for a few years. This provides the district with an added opportunity to perform tasks that were not accomplished during the school year such as a physical inventory and surplus disposals. However, because of personnel shortages in the Business and Financial Services Department last summer, the delivery driver provided support in processing accounts payable transactions. This did not leave time to complete a physical inventory.

The collection and/or disposal of surplus items, light bulbs, toner cartridges, etc. did not routinely occur during the 2008-09 fiscal year. The staff indicated that before then, collection and/or disposal occurred daily. The district staff indicated that a schedule was recently developed so each site has a specific day(s) of the month for its items to be collected and delivered to the district office for processing.

Recommendations

The district should:

1. Ensure that the job description eligibility requirements for the delivery driver include a minimum lifting weight and a means to assess an applicant's ability to operate forklifts and pallet jacks.
2. Ensure that the job description for the delivery driver indicates that the director of finance will supervise the position if the supervisor of purchasing position is eliminated.
3. Ensure that proper safety precautions are used in the collection and delivery of cash for deposit.
4. Prioritize the duties of the district driver to place a priority on inventory functions during the summer months.
5. Monitor the schedule of collection and disposal to ensure that items do not accumulate at either the sites or the district office.

Accounting Supervisor

The accounting supervisor resigned in May 2009, and the district has not filled the position, which reported to the director of finance. The director of finance has assumed some of the supervisor's duties. The accounting supervisor and the director of finance positions supervise the staff in the Business and Financial Services Department. The job description for the accounting supervisor includes duties focused on the day-to-day operations of the accounting office, while the director of finance's duties primarily center on overseeing the department, analyzing information, providing service to sites and departments and completing reporting responsibilities.

One of this position's essential functions is to "Coordinate with fiscal staff at the County Superintendent of Schools in developing and implementing new systems for payroll and accounting." If an updated version of Escape or other countywide systems becomes available or mandated, one or more of the accounting assistants and/or the director should be closely involved with implementation.

Recommendations

The district should:

1. Consider eliminating the accounting supervisor position and transferring the supervisory duties to the director of finance.

Accounting Assistant – Accounts Payable

The district has two accounting assistant positions that perform duties related to accounts payable, accounts receivable, developer fees professing, the revolving cash account, invoicing, mail collection and distribution for the department, ordering supplies, petty cash replenishment and the tracking of receipt books. One position has been vacant since November 2008 when the individual holding the position resigned. The other position is occupied by an employee who has been with the district as an accounting assistant for eight years. All the duties associated with both accounts payable accounting assistant positions were combined and are performed by the remaining accounting assistant.

Interviews with staff members indicated that the accounts payable accounting assistant is perceived as overwhelmed with work and needing considerable assistance. The district provided short-term assistance from the delivery driver from May to August 2009. This consisted of two hours per day while school was in session and eight hours per day during summer recess. The accounting assistant still worked an additional two or three hours per day several days per week. Overtime is no longer allowed, and this position receives intermittent assistance from the two payroll accounting assistants.

A sound internal control structure requires job duties to be segregated to properly protect the district's assets. No single employee should handle a transaction from initiation to reconciliation, and no single employee should have custody of an asset (such as cash or inventory) and maintain the records of related transactions. Several internal control weaknesses were noted during FCMAT's field work.

Some of the duties being performed by the accounts payable accounting assistant violate the concept of internal control. The same employee should not prepare invoices, collect the payments related to the invoices and enter the transactions into district records. To separate duties and provide better internal controls, the district should consider reassigning the following duties from the accounts payable accounting assistant to other members of the Business and Financial Services Department:

- Accounts receivable functions, listing and tracking of receipt books, and entering budget transfers. These could be completed by the payroll accounting assistants.
- Invoicing, ordering supplies for the department, picking up and distributing mail for the department, and handling the district's revolving account. These duties could be completed by the department's administrative assistant.

The district uses a paper form to process budget transfers. Implementing a form for budget transfers that is available electronically to site and department managers may help streamline the process and save staff time.

Another internal control weakness is allowing the accounts payable staff members to have custody of the warrants after they are processed by the county office. Proper internal controls would prevent the same person from initiating and distributing warrants. The district should review its warrant distribution process and consider making adjustments such as reassigning the processing of warrants for mailing/distribution to the department's administrative assistant.

A third internal control weakness is the procedure used for collection and processing of developer fees. The district procedure assigns the accounts payable accounting assistant to collect fees, enter transactions into the accounting system and developer fee database, and reconcile the account. In addition, the district's audited financial statements for the year ending June 30, 2007 revealed discrepancies between the general ledger and the developer fee income binder that have since been resolved. However, the district should review these procedures and consider making adjustments to divide developer fee duties among different positions. For example, collection of fees could be assigned to the district office receptionist, and account reconciliation to the Business and Financial Services Department's administrative assistant or one of the other accounting assistants.

Based on the staffing comparison included later in this report, an additional position may be needed in the Financial Services Department even if some duties are transferred from the accounts payable accounting assistant.

Recommendations

The district should:

1. Consider reassigning some of the accounts payable accounting assistant's duties to other members of the Business and Financial Services Department.
2. Consider developing and implementing a budget transfer form that is available electronically to site and department managers.
3. Review warrant distribution and make necessary adjustments such as reassigning warrant processing for mailing/distribution to the department's administrative assistant.
4. Review procedures regarding the processing of developer fees and make necessary adjustments to divide these duties among different positions in the Business and Financial Services Department.
5. Consider filling the vacant accounting assistant position.

Accounting Assistants – Certificated and Classified Payroll

The district employs two accounting assistants who are responsible for payroll duties. One is assigned to the certificated payroll (hired in December of 2008) and the other to classified payroll (hired approximately two years ago). The duties for each position are similar and include processing payroll for employees, processing and posting employee leave requests, reporting STRS and PERS, preparing payroll tax reports and collecting overpayments.

Time sheets and month-end payroll are processed once a month for payment to employees on the last working day of the month. Consequently, payroll-processing days are extremely busy; but the workflow slows somewhat after cutoff deadlines. During these times, other duties can be accomplished such as filing and preparing reports. Interviews indicated that the payroll accounting assistants can complete their work in the normal workday. Extra time became necessary only recently to help the accounting assistant assigned to accounts payable.

As mentioned earlier, the district should consider reassigning some duties from the accounts payable accounting assistant to the payroll accounting assistants to more equitably distribute the workload. With an employee base of approximately 430

certificated and 340 classified staff members excluding substitutes, it is appropriate to have two individuals responsible for payroll functions. However, because employee health and welfare benefits are processed by a separate position, time may be available for additional duties included in the class specifications for the payroll accounting assistants.

Cross-training is a key component of a strong internal control structure. More than one employee should be able to perform each job. One of the distinguishing characteristics included in the accounting assistant's job description is that, "Incumbents are cross-trained and may be rotated to such functions as accounts payable, payroll, and accounts receivable." Although both accounting assistants assigned to payroll functions are relatively new employees, the district should ensure they are cross-trained to perform both certificated and classified payroll duties. As time permits, it is also advisable to cross-train at least one accounting assistant in accounts payable duties.

Recommendations

The district should:

1. Consider reassigning some duties from the accounting assistant assigned to accounts payable to the accounting assistants assigned to payroll.
2. Ensure that the accounting assistants are cross-trained in classified and certificated payroll functions.

Employee Benefits Specialist

The employee benefits specialist reports to the assistant superintendent of business and financial services and performs a variety of duties related to the district's comprehensive health insurance and workers' compensation programs. The job description indicates that the basic functions of the position are to organize and maintain information, procedures and forms regarding health benefits and workers' compensation programs; provide information and assistance to employees regarding health benefits and workers' compensation coverage, claims and related procedures; and coordinate the processing and resolution of workers' compensation claims.

All positions that report to the assistant superintendent are members of management except for the department's administrative assistant and the employee benefits specialist. The district should consider changing the designation of the supervisor of the employee benefits specialist position to the director of finance so that all positions associated with processing payroll and employee benefits report to the same supervisor.

Because the benefits specialist was employed with the district for only about three weeks at the time of FCMAT's on-site work, it was difficult to determine the scope of all the tasks assigned to this position. It was also difficult to determine how much time, if any,

the employee can devote to other areas in the department. The job description of the employee benefits specialist includes duties that are specifically associated with either health benefits or workers' compensation issues. If it is determined that there is time available for other tasks after the individual has been trained in the position, the district should consider revising the job description to include handling employee benefits that include items such as 403(b) and 457 plans as well as assistance with PERS and STRS questions.

It is unusual to assign the duties related to risk management and employee benefits to one position. Therefore it is crucial that this employee receive all necessary training in the functions associated with risk management. Although a third-party joint powers agreement operates the administration and settlement of claims, it is important that the district analyze its return-to-work policies and the need for interactive dialogue with injured employees under the Americans with Disabilities Act.

The district has an annual cap on the amount it contributes to the cost of employee health and welfare insurance. The benefits specialist calculates the district and employee share for each individual who participates in the program. These calculations were performed manually in the past, requiring an extensive amount of time. The current employee benefits specialist is working to automate the process with the use of the Excel software program. The district should ensure that the employee has been provided with all the training necessary to accomplish this task since it will create a more efficient process.

New employees are provided with documents regarding health and welfare insurance during orientation; however, the employee benefits specialist is not involved in orientation. The district should consider allotting time at each orientation for the employee benefits specialist to provide information and answer questions on health and welfare benefits. This would afford a higher level of customer service and could help to save time by providing routine information in a group setting when possible and early in each employee's tenure with the district.

Recommendations

The district should:

1. Consider assigning the director of finance to supervise the employee benefits specialist.
2. Consider revising the job description to allow for expansion of duties to include additional employee benefits.
3. Provide all the training necessary regarding risk management duties and responsibilities.

4. Provide additional training in Excel if needed.
5. Consider assigning the employee benefits specialist to be present during a portion of each new employee orientation.

Staffing Comparisons

Data for a comparison of business services department staffing was obtained from five California elementary school districts with student enrollment levels similar to Pleasant Valley. In choosing the comparison districts, FCMAT included one elementary district located in Ventura County that was closest in size to Pleasant Valley. The four other elementary districts are located throughout the state. The comparison districts surveyed were Alta Loma, Huntington Beach, Newhall, Dry Creek and Hueneme.

Although comparative information is useful, it should not be considered the only measure of appropriate staffing levels. The state's school districts are complex and vary widely in demographics and resources. Careful evaluation is recommended because generalizations can be misleading if significant circumstances are not taken into account. FCMAT's review considered the following issues:

- The grade-level configuration (elementary)
- The size of the district
- Revenue limit districts (rather than basic aid)
- The percentage of students who are eligible for free and reduced price meals

The following table lists the student enrollment and staffing levels of the comparison districts as reflected in the 2008-09 California Basic Educational Data System (CBEDS) and the data obtained from the comparison districts.

**COMPARISON OF BUSINESS SERVICES DEPARTMENT STAFFING
IN SELECTED CALIFORNIA ELEMENTARY SCHOOL DISTRICTS**

District	Pleasant Valley	Alta Loma ¹	Huntington Beach ²	Newhall ³	Dry Creek ⁴	Hueneme ⁵
Enrollment*	7,290	6,557	6,679	7,035	7,279	7,983
Total Employees*	766	767	614	760	675	770
Chief Business Official (CBO)	Assistant Superintendent	Assistant Superintendent	Assistant Superintendent	Assistant Superintendent	Assistant Superintendent	Senior Director, CBO
Business Department Support Staff	Administrative Assistant Director, Finance Accounting Assistants (3) Employee Benefits Specialist Purchasing Technician	Executive Secretary Director, Fiscal Services Accountant (2) Senior Account Clerks (3.5) Payroll Clerks (2.5) Purchasing Tech (reports to CBO) Purchasing Clerk (reports to CBO)	Administrative Assistant Student Services/Attendance Technician (reports to CBO) Director, Fiscal Services Budget Technician Lead Payroll/Benefits Tech Account Techs (3.63) Procurement Agent Purchasing Tech (.50)	Administrative Assistant Director, Fiscal Services Fiscal Services Accountant Payroll/Benefits Coordinator Payroll Technicians (1.5) Accounts Payable Tech Student Attendance Tech (.5) Purchasing Coordinator	Administrative Assistant Chief Fiscal Officer Accountant Payroll Technicians (2) Account Technicians (2)	District Accountant Accounting Specialist Payroll Clerks (2) Benefits/Payroll Support Clerk Account Clerk II Account Clerk III (.75) Purchasing Agent
Total Support Staff	7.0 FTE	10.2 FTE	10.13 FTE	8.0 FTE	7.0 FTE	7.75 FTE
District has a Warehouse? Warehouse/Delivery Staff	No Delivery Driver (.75 FTE)	Yes Warehouse Worker (.9) Delivery Driver (.5)	Yes, bulk items only Storekeeper/Delivery Driver	Yes, bulk items only Warehouseman (.5) Delivery Driver	No Bus Driver (delivers mail 2-3 hours per day)	Yes Warehouseman Warehouse/Delivery Driver (transports food, mail, deposits)

*2008-09 CBEDS (Source: CDE DataQuest)

¹Alta Loma – CBO oversees Fiscal Services, Child Nutrition, MOT, Purchasing, Warehouse, Print Shop; food service payables completed by Child Nutrition Department; employee attendance tracking completed by Human Resources Department.

²Huntington Beach – CBO oversees Fiscal Services, Transportation, Maintenance/Operations, Facilities, Food Services, Technology, Student Attendance; food service payables completed by Food Services Department; developer fees collected by high school district.

³Newhall – CBO oversees Fiscal Services, Maintenance/Operations, Facilities, Safety, Technology, district participates in JPA for Food Services; district has an outside provider and shares Transportation Services with a neighboring district; food service payables completed by Food Services Department; Facilities Department oversees warehouse.

⁴Dry Creek – CBO oversees Fiscal Services, MOT, Facilities; district contracts with neighboring district for Food Services.

⁵Hueneme – CBO oversees all Fiscal Services support staff, Food Services, Purchasing; Business Department uses superintendent's secretary for clerical support; Human Resources Department supervises MOT; employee attendance tracking completed by Human Resources Department; food service payables completed by Business Department; Maintenance Department supervises warehouse and delivery.

The survey indicates that the number of support staff members in the Business and Financial Services Department is less than that the average of the five comparison districts. However, two of the districts with the highest staffing levels indicated that they may have to consider reducing hours because of declining enrollment and budget cuts.

The districts surveyed included a position of accountant, accounting specialist or budget technician in the business office in addition to the clerks and/or technicians. This type of position could provide for a slightly increased level of responsibility and accounting knowledge in the department.

Filling a position in the Financial Services Department should help balance the workload more equitably, provide for more cross-training, and provide a better system of checks and balances. This should also allow the department to provide additional training, including an annual training session regarding processes and procedures, and a higher level of customer service to the school sites and departments it serves.

Recommendations

The district should:

1. Consider increasing the staffing in the Business and Financial Services Department by one full-time equivalent position by either filling the vacant accounting assistant position or developing and filling a position that has a slightly increased level of job requirements and duties.

Appendix

A. Study Agreement

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

CSIS California School Information Services

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM STUDY AGREEMENT

July 27, 2009

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the Pleasant Valley School District, hereinafter referred to as the District, mutually agree as follows:

1. BASIS OF AGREEMENT

The Team provides a variety of services to school districts and county offices of education upon request. The District has requested that the Team provide for the assignment of professionals to study specific aspects of the Pleasant Valley School District operations. These professionals may include staff of the Team, County Offices of Education, the California State Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

The scope and objectives of this study are to:

- 1) Conduct an organization, functions, and staffing review of specific positions in the District's business office, including Director of Finance, Supervisor of Purchasing, Purchasing Technician, Delivery Driver, Supervisor of Accounting, and Accounting Assistants for Payroll/Accounts Receivable/Accounts Payable.
- 2) Provide recommendations for improvements, when applicable, with a focus on:
 - a) Changes to job descriptions
 - b) Possible restructuring of positions
 - c) The ability of staff to cover core functions while maintaining an appropriate level of customer service to other district departments and schools sites
 - d) Potential automation of purchasing functions
 - e) Use of technology to enhance all aspects of Business/Financial Services.

B. Services and Products to be Provided

- 1) Orientation Meeting - The Team will conduct an orientation session at the District to brief District management and staff on the procedures of the Team and on the purpose and schedule of the study.
- 2) On-site Review - The Team will conduct on-site meetings at the District office to gather documentation and conduct interviews. The Team will request assistance from the District in setting up interview schedules with staff.
- 3) Progress Reports - The Team will hold an exit meeting at the conclusion of the on-site reviews to inform the District representatives of significant findings and recommendations to that point.
- 4) Exit Letter - The Team will issue an exit letter approximately 10 days after the exit meeting detailing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
- 5) Draft Reports - Sufficient copies of a preliminary draft report will be delivered to the District administration for review and comment.
- 6) Final Report - Sufficient copies of the final study report will be delivered to the District following completion of the review.
- 7) Follow-Up Support – Six months after the completion of the study, FCMAT will return to the District, if requested, to confirm the District’s progress in implementing the recommendations included in the report, at no costs. Status of the recommendations will be documented to the District in a FCMAT Management Letter.

3. PROJECT PERSONNEL

The study team will be supervised by Anthony L. Bridges, Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team will include:

- A. Diane Branham, FCMAT Fiscal Intervention Specialist
- B. Julie Auvil, FCMAT Fiscal Consultant
- C. Rick Robinett, FCMAT HR Consultant

Other equally qualified consultants will be substituted in the event one of the above noted individuals is unable to participate in the study.

4. PROJECT COSTS

The cost for studies requested pursuant to E.C. 42127.8(d)(1) shall be:

- A. \$500.00 per day for each Team Member, while on site, conducting fieldwork at other locations, preparing and presenting reports, or participating in meetings.
- B. All out-of-pocket expenses, including travel, meals, lodging, etc. Based on the elements noted in section 2 A, the total cost of the study is estimated at \$10,000. The District will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon acceptance of the final report by the District.
- C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services are payable to Kern County Superintendent of Schools-Administrative Agent.

5. RESPONSIBILITIES OF THE DISTRICT

- A. The District will provide office and conference room space while on-site reviews are in progress.
- B. The District will provide the following (if requested):
 - 1) A map of the local area
 - 2) Existing policies, regulations and prior reports addressing the study request
 - 3) Current organizational charts
 - 4) Current and four (4) prior year's audit reports
 - 5) Any documents requested on a supplemental listing
- C. The District Administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the Team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with District pupils. The District shall take appropriate steps to comply with EC 45125.1(c).

6. PROJECT SCHEDULE

The following schedule outlines the planned completion dates for key study milestones:


Orientation:	September 3, 2009
Staff Interviews:	September 3-4, 2009
Exit meeting:	at conclusion of on-site review
Preliminary Report Submitted:	Six weeks after the date of exit meeting
Final Report Submitted:	to be determined
Board Presentation:	to be determined
Follow-Up Support:	If requested

7. CONTACT PERSON

Please print name of contact person: Linda Bekeny, Assistant Superintendent
Business and Financial Services

Telephone 805 445-8628 FAX _____


Internet Address lbekeny@pvsd.k12.ca.us



Luis C. Villegas, Jr., Superintendent
Pleasant Valley School District

8/1/09

Date



Barbara (Dean) Murphy
Deputy Administrative Officer
Fiscal Crisis and Management Assistance Team

August 5, 2009

Date

In keeping with the provisions of AB1200, the County Superintendent will be notified of this agreement between the District and FCMAT and will receive a copy of the final report.