



FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Tulare Joint Union High School District

Business Department Review

May 26, 2010

Joel D. Montero
Chief Executive Officer



CSIS California School Information Services

May 26, 2010

Howard Berger, Superintendent
Tulare Joint Union High School District
426 North Blackstone
Tulare, CA 93274

Dear Superintendent Berger,

In December 2009, FCMAT entered into an agreement with the district for management assistance. The study agreement specifies that FCMAT will complete the following:

1. Assess the organizational structure, staffing and operations of the district's business department and make recommendations for improvement.

The attached final report contains the study team's findings and recommendations with regard to the above areas of review. We appreciate the opportunity to serve you, and we extend our thanks to all the staff of the Tulare Joint Union High School District.

Sincerely,

Joel D. Montero
Chief Executive Officer

FCMAT

Joel D. Montero, Chief Executive Officer

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Table of Contents

Foreword	3
Introduction	5
Study Guidelines/Study Team	5
Executive Summary	7
Findings and Recommendations	9
Organizational Structure	9
Business Department Staffing	11
Staffing Comparisons.....	31
Appendices	35



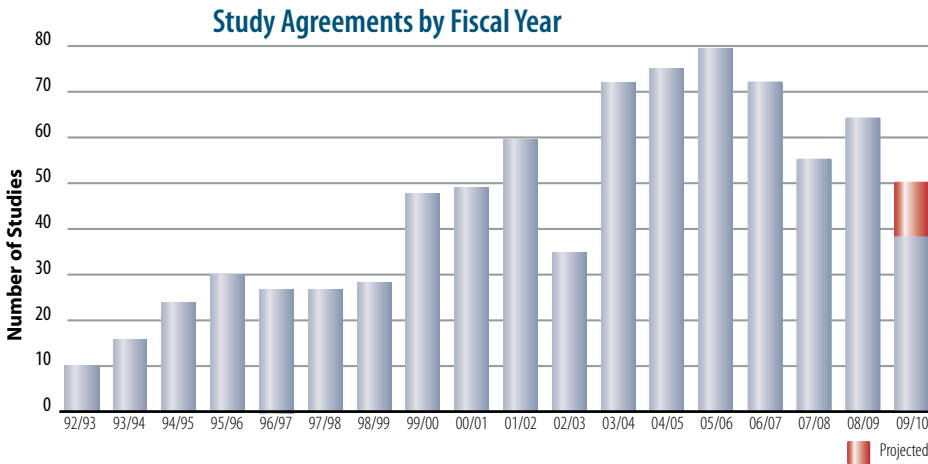
Foreword - FCMAT Background

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.....	1,050
Management Assistance.....	705 (94.886%)
Fiscal Crisis/Emergency	38 (5.114%)
Note: Some districts had multiple studies.	
Eight (8) districts have received emergency loans from the state.	
(Rev. 12/8/09)	



Introduction

Background

Located in Tulare County, the Tulare Joint Union High School District has a five-member elected governing board and serves approximately 5,100 students in ninth through twelfth grade. The district has three comprehensive high schools, three alternative schools and one community day school. The district also offers an adult education program and an agricultural program that includes a working dairy.

The district's 2009-10 general fund revenue budget is \$42.4 million. Approximately 13% of the district's students are English learners and 57% are eligible for free and reduced-price meals.

In December 2009 the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement with the district for management assistance. The study agreement specifies that FCMAT will complete the following:

1. Assess the organizational structure, staffing and operations of the district's business department and make recommendations for improvement.

Study Guidelines

FCMAT visited the district on March 3 and 4, 2010 to conduct interviews, collect data and review documentation. This report is the result of those activities and is divided into the following sections:

- Executive Summary
- Organizational Structure
- Business Department Staffing
- Staffing Comparisons
- Appendix

Study Team

The FCMAT study team was composed of the following members:

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*As a member of this study team, this consultant was not representing her employer but was working solely as an independent contractor for FCMAT.

Executive Summary

Over the past several years, the enrollment and staffing has increased steadily in the Tulare Joint Union High School District. The California Department of Education (CDE) reflects enrollment of 4,144 and 376 staff members in 1998-99 versus an enrollment of 5,022 and 485 staff members in 2008-09. As a cost saving measure, when the former assistant superintendent of general services left the district, the assistant superintendent of human resources assumed some of the oversight duties of the position. At the same time, the accounting supervisor was promoted to business manager and assumed many of the functions of a chief business official (CBO). However, it is often unclear whether the business manager or assistant superintendent serves as the district's CBO.

The district should be staffed according to basic theories of organizational structure and standards used in other high school districts of similar size. These theories include span of control, chain of command, and line and staff authority. Based on a review of comparison districts and interviews with the staff, Tulare Joint Union has a sufficient number of support staff in the Business Department. However, each of the districts surveyed include a position of assistant or associate superintendent in the role of CBO and have either a director or accountant position in the business office in addition to clerks and/or technician positions.

The district should consider elevating the position of CBO to an assistant or associate superintendent level that reports directly to the superintendent, is a member of the superintendent's cabinet and sits at the table for all negotiation sessions. The CBO should be assigned to oversee fiscal services, food services, maintenance/operations, facilities and transportation. In addition, the district should consider making one Business Department support position a director, manager or accountant level position and adding a director of food services position.

The district should further consider restructuring the duties of the four account clerk positions so they are more specialized in the areas of purchasing and accounts payable rather than having each of the four clerks responsible for purchasing and accounts payable duties related to vendors in a portion of the alphabet. Account clerk duties could be further specialized by assigning one clerk responsibility for ASB functions.

Although several district employees have experience 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 student attendance, associated student body (ASB), employee benefits and payroll. These tasks are essential to the district's operations, and lack of cross-training could place the district at risk.

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 deficiencies include the following:

- Determination of initial employee salary placement
- Access to payroll screens necessary to add and pay an employee
- Access to financial screens needed to add and pay a vendor

In addition, the district needs to ensure that deposits are secured in a locked safe at all times with limited access to staff members. The district also needs to ensure that personnel files are kept in a locked, fireproof cabinet that can only be accessed by the Human Resources Department staff.

The job description documents provided for the Business Department support staff do not appear to be formal job descriptions because they include header information that states “Employment Opportunities,” which would typically indicate a job posting rather than a formal job description. Some of the documents include a revised date of January 2001, while others do not reflect the date the class was established or the date of the most recent revision. In addition, the documents do not include minimum weight lifting and repetitive duty requirements necessary for compliance with the Americans with Disabilities Act. The district should review, update and revise job descriptions to ensure that the documents are current, reflect the dates the classification was established and/or the date of the most recent revision, and comply with the Americans with Disabilities Act.

The business manager has been with the district for an extended period of time and has worked her way through the desks in the Business Department. In doing so, she has become extremely knowledgeable about the district’s processes and procedures. However, when she was promoted to the position of business manager, she continued to complete many of the routine accounting tasks rather than assign them to staff. This often creates a bottleneck in processing transactions, such as the timely transfer of funds from the clearing account to the county treasury. The district should ensure that the business manager assigns routine business office tasks to staff in the Business Department.

A review of the records for the clearing account indicated that transfers from the bank to the county treasury had only been made in October and January of the 2009-10 fiscal year. The Education Code requires that the district transfer funds to the county treasury no less than monthly; however, best business practices would be for the district to transfer funds from the clearing account to the county treasury at least weekly and immediately post the information to the financial system.

To ensure associated student body (ASB) advisors are aware of business office processes and procedures, an ASB manual and annual training should be provided by the Business Department. In addition, site principals should be required to ensure that ASB advisors provide required information to the district office timely.

Sites and departments should be provided with read-only access to the district’s financial system and should be trained in its use to ensure they are aware of and making use of the system’s capabilities. This will allow administrators and managers to access their budgets in real time and run financial reports as needed.

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, in Tulare the assistant superintendent for business and human resources has direct line authority over the business manager, and the business manager has direct line authority over the Business 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 the district's 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 Department Staffing

The Business Department is overseen by the assistant superintendent for business and human resources, who has served in this position for three years and has previous school district experience in human resources. Interviews indicated that the assistant superintendent does not have a background in school business or school accounting. Based on the district's size and staffing comparisons presented later in this report, the district should consider removing the business services responsibility from this position and creating a chief business official position (CBO) that reports directly to the superintendent and who is a member of the superintendent's cabinet. If the district continues to have one assistant superintendent oversee the business and human resource functions of the district, the individual should possess knowledge of school business and fiscal issues, or should be provided with extensive training to acquire that knowledge.

The district's organizational chart shows that the assistant superintendent for business and human resources is responsible for the following departments: personnel, budget and finance, and facilities. Budget and finance staff members report to the business manager and transportation, maintenance and operations staff members report to the director of facilities. The assistant superintendent is directly responsible for the district's personnel department. However, the organizational chart indicates that the title is assistant superintendent of human resources rather than assistant superintendent for business and human resources. In addition, interviews indicated that the director of facilities reports to the superintendent. The organizational chart should be updated to reflect the actual chain of command and the correct title of the assistant superintendent.

Interviews indicated that while the Business Department appears to have a sufficient number of support staff, it is responsible for some duties that business office staff do not traditionally perform, such as associated student body (ASB) accounting functions and some personnel functions. These duties will be discussed in further detail later in this report.

Most department employees have been with the district and in their current position for several years. However, to obtain a clearer understanding of the amount of time required for the tasks assigned to each position and ensure tasks are equitably distributed, the district should assign each business office staff member to complete a time analysis of the duties they perform each day for a one-month period.

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 pre-numbered 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 pre-numbered 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 Department, little or no cross-training occurs for some of the department's key functions. This includes some tasks in accounts receivable, student attendance accounting, associated student body (ASB) and employee health and welfare 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 Business Department lacks desk manuals that include step-by-step procedures for each job duty.

The job description documents that were provided for the Business Department support staff members do not appear to be formal job descriptions because they include header information that states "Employment Opportunities," which would typically indicate a job posting rather than a formal job description. Some of the documents include a revised date of January 2001, while others do not reflect the date the class was established or the date of the most recent revision. In addition, the documents do not include minimum weight lifting and repetitive duty requirements necessary for compliance with the Americans with Disabilities Act.

Recommendations

The district should:

1. Consider removing the business services responsibility from the assistant superintendent of human resources and creating a chief business official position (CBO) that reports directly to the superintendent and who is a member of the superintendent's cabinet.
2. Update the organizational chart to reflect the actual chain of command and correct title of the assistant superintendent.
3. Assign each Business Department staff member to complete a one-month time analysis of their job duties.
4. Ensure that effective internal control processes have been implemented and that employees are cross-trained in all key areas of responsibility.
5. 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.
6. Review and update and/or develop the Business Department job descriptions to ensure that the documents are current, reflect the date the classification was established and/or the date of the most recent revision, and comply with the Americans with Disabilities Act.

Secretary to Assistant Superintendent

The secretary to the assistant superintendent for business and human resources reports to the assistant superintendent and is primarily responsible for secretarial and clerical functions of the Human Resources Department. The person assigned to this position has been with the district for 11 years and has been the secretary to the assistant superintendent for all but the first two weeks of her employment, in which she served as the district receptionist. During her tenure with the district, she has worked for four different individuals and has been assigned varying duties with each supervisor.

The secretary provides clerical support in the posting and hiring process for all open positions. This includes typing of certificated and classified postings, receipt of applications, paper screening, scheduling of interviews and creation of the personnel file. The secretary is also responsible for inputting data into the initial demographic screens in the district's financial software system. However, this function can also be completed by the assistant superintendent or the business manager. To ensure proper internal controls and separation of duties, this function should be isolated to the Human Resources Department.

The secretary is responsible for completion of the Employee Salary Data form for classified employees who are new to the district or are being transferred or promoted. This form includes the salary placement for the classified employee and is signed by the assistant superintendent and then forwarded to the payroll office.

The Human Resources Department uses a Teacher Credit form that reflects college units for new certificated personnel and sends a Verification of Employment form to the employee's previous employer. Interviews indicated that these forms are collected by the Human Resources Department and then forwarded to the payroll office with the original personnel file. The payroll staff is then responsible for determining salary placement for certificated employees. To ensure proper internal controls and separation of duties, the Human Resources Department should determine salary placement for all employees and forward that information to the payroll office. The district could consider incorporating salary placement on the Teacher Credit form or implement one standard salary placement form for all personnel changes. A copy of the form should be given to the payroll office, but the original should be maintained in the employee's personnel file. In addition, all personnel files should remain in the Human Resources Department and be kept in a locked, fireproof cabinet with limited access to district staff.

Initial insurance enrollment forms and related brochures are disseminated by the Human Resources Department and are returned to the payroll office. The district should consider having these forms collected and reviewed in the Human Resources Department, along with all other forms required of newly hired employees, before forwarding them to other departments for further processing to ensure that all forms are submitted timely.

Responsibilities associated with workers' compensation claims and administration are performed by the Business Department. These duties, including the determination of accommodations under the American with Disabilities Act (ADA) and the California Department of Fair Employment and Housing (DFEH), may be more appropriately assigned to human resources. If these duties are assumed by human resources, a policy of ongoing communication with the payroll office, verbally and through standardized written forms, should be established to ensure employees are paid correctly while on leave and that employee leaves are properly coordinated.

In addition to assigning the Human Resources Department duties associated with the administration of workers' compensation claims, it would be beneficial for the district to establish a formal return to work program for employees who sustain an industrial accident or injury. The district should work with its workers' compensation carrier and the Tulare County Office of Education for assistance with establishing policies for a return to work program.

Recommendations

The district should:

1. Limit the entry of employee demographic screens in the financial software system to Human Resources Department personnel.
2. Implement one form for certificated and classified salary placement that is completed by the Human Resources Department and approved by the assistant superintendent before a copy is forwarded to the payroll office.
3. Maintain personnel files in a locked, fireproof cabinet that can only be accessed by the Human Resources Department staff.
4. Provide ongoing training to district staff regarding the confidentiality of personnel and payroll records.
5. Assign the Human Resources Department to disburse, collect and review all required forms to new employees before forwarding them to other departments for further processing.
6. Assign the Human Resources Department the responsibility for workers' compensation claims and administration.
7. Develop a formal return to work program for employees who sustain an industrial accident or injury.

Business Manager

The business manager is a management position that, according to the job description, reports to the assistant superintendent for general services. However, this assistant superintendent position no longer exists, and the district's organizational chart reflects that the business manager now reports to the assistant superintendent for human resources. Interviews indicated that the business manager often works directly with the superintendent rather than the assistant superintendent.

The current business manager has been with the district for 25 years. Approximately 16 years ago she was promoted to accounting supervisor, and when the assistant superintendent for general services position was eliminated, she was promoted to business manager and assumed many of the functions of chief business official. However, it is unclear whether the business manager or assistant superintendent of business and human resources serves as the district's CBO.

The job description for the business manager identifies the following responsibilities: plans, prepares, administers, supervises, and implements district accounting and financial services in the areas of preparation and maintenance of the budget, accounting, payroll, and attendance accounting functions; supervises personnel working in that field; and conducts business training workshops. Major duties include:

- Plans, organizes, and reviews the work of the financial and accounting department including payroll record management, budget development and expenditure analysis and control.
- Supervises the accounting department; plans, develops, implements, and maintains accounting and fiscally related operational procedures.
- Reviews and audits major accounts; assists in the preparation of district budgets including income forecasting and personnel and student enrollment projections.
- Reviews district cash management programs and investment portfolios, performs financial and statistical research, and analytical studies. Prepares and supervises the preparation of special financial and statistical reports.
- Participates in present and long range fiscal planning.
- Confers and consults with district personnel regarding personnel work performances.
- Acts as office manager of district office clerical and accounting staff and evaluates accounting staff.

In addition to overseeing the Business Department, the business manager maintains a hands-on approach to routine accounting tasks including the keying of budget transfers and journal entries, picking up deposits, transferring funds from the clearing account to the county treasury, student attendance accounting, and invoicing. Because the county's financial software system does not provide a module for position control, the business manager also works with payroll staff to keep a separate set of spreadsheets for position control. Because these spreadsheets cannot be uploaded to SACS for budgeting purposes, each line item must be manually entered in the financial system. The business manager has knowledge of the processes and responsibilities of each business office position and regularly performs duties for those that are absent or need assistance.

Interviews indicated that the business manager is perceived by individuals at all levels as being the only person in the district that understands the organization as a whole as well as the inner workings of the Business Department. Although trust and confidence were expressed regarding the work performed by the business manager, concerns exist about this position being the only one that knows how to complete some business office tasks and maintaining responsibility for many routine tasks rather than assigning these duties to staff.

The business manager works numerous evening hours and on weekends, and interviews indicated a concern for the workload of this position. While this work ethic has inspired a high level of respect, commitment, and dedication from subordinates, some are uneasy in posing their questions or expressing needs to the business manager because they feel it would further burden this position. In addition, some concerns were expressed regarding the timeliness of information from and resolution of concerns by the Business Department.

The assistant superintendent for business and human resources is responsible for overseeing the business manager, signing purchase orders and reviewing monthly financial reports. However, the assistant superintendent is not familiar enough with the Business Department

functions to be able to provide direction or assistance in solving some of the concerns regarding the workload and cross-training needs of the department.

Interviews indicated that the Business Department is not represented at administrative meetings and is not a member of the superintendent's cabinet. Without equal representation and authority at the cabinet level, the Business Department cannot provide proper communication and help to ensure compliance regarding policies and procedures for business functions. As a result, business processes are often circumvented by some administrative staff members. Examples include:

- An inordinate number of immediate purchase orders and pay vouchers are routinely processed, thereby circumventing the Business Department's budget review and approval process. Interviews indicated that the immediate purchase order and pay voucher process occurs more frequently than the normal process.
- A lack of response to Business Department requests for ASB fundraiser reconciliation information. At the time of FCMAT's fieldwork, only 21% of the 2009-10 records for ASB fundraiser activities had been submitted for reconciliation and auditing. Interviews indicated that district office staff are not routinely informed of activities and must resort to holding reimbursements to obtain the required documentation.

The district's purchase requisition/purchase order process requires the business manager to review and/or approve the documents three times and the assistant superintendent of business and human resources to sign the requisition and the purchase order before the order is submitted to the vendor. This system slows down the purchasing process significantly and should be streamlined so that each individual reviews purchase documents one time.

Prior to the 2009-10 fiscal year, the business manager did not sit at the table for negotiations. The individual that serves in the capacity of chief business official should be included in all negotiation sessions to ensure that any discussion related to items that affect district finances is fully understood. This helps to ensure that proposals can be calculated and the tentative agreement may be reported correctly.

The district is considering the use of an outside consultant to assist in negotiations with the bargaining units. Any district staff members that participate in negotiations should receive training by the district's legal counsel and/or outside consulting firm so that all members of the district's bargaining team fully understand the negotiations process and best practices for document preparation.

Budget items often receive minimal attention and discussion at board meetings. For example, the 2009-10 second interim report was included on the board agenda as a consent item. Including the report as a consent item does not provide for an explanation and discussion of the item at the governing board meeting. In addition, board members are provided with the state-required standardized account code structure (SACS) forms at each reporting period

but are not provided with charts and graphs that depict year-over-year trends in key areas including:

- revenues
- expenditures
- net ending balances
- net change in the unrestricted general fund balance
- enrollment/ADA history and projections
- program encroachment

Spreadsheets that summarize the information contained in the SACS documents are also not included in the materials presented to the governing board.

The collective bargaining agreement between the district and the California School Employees Association (CSEA) states that “Under normal circumstances, permanent employees shall be evaluated at least every other year and shall be consistent for all classified employees.” However, interviews indicated that employee performance evaluations are not routinely conducted for Business Department staff. Although most of the Business Department staff have been with the district for many years, it is important that they receive regular evaluations so that strengths may be recognized and weaknesses corrected. Regular evaluations would also help ensure that staff are aware of management’s expectations and would raise awareness of employee work habits and time on task.

Recommendations

The district should:

1. Clarify the role and authority of the business manager.
2. Ensure that the business manager assigns routine business office tasks to staff.
3. Work with the county office to determine whether a position control module can be added to the financial software system.
4. Include the CBO at cabinet and administrative meetings to communicate and hear concerns regarding business office procedures and processes.
5. Support the CBO in enforcing business processes and procedures that ensure compliance and provide for the efficient delivery of services.
6. Streamline the purchasing process so that each individual reviews/approves the documents one time.
7. Include the CBO on each collective bargaining team and ensure they sit at the table for negotiations.
8. Consider using legal counsel or an outside services consultant to provide training regarding the collective bargaining process and best practices for negotiations.

9. Present and discuss budget documents to the governing board at each reporting period and include spreadsheets, charts and graphs so that the budget can be easily understood by the board and public.
10. Conduct regular evaluations of Business Department staff members.

Secretary to Business Manager

The secretary to the business manager reports to and provides the business manager with secretarial and clerical support. The secretary has been in the position for approximately five and a half years. This is a relatively new position in the Business Department, and was developed as a result of district growth and the need for clerical support for the business manager.

Examples of job duties are as follows and were taken from the employment posting because a formal job description was not provided:

Performs complex and responsible clerical and secretarial work; independently composes correspondence of a non-technical nature on matters not requiring a personal response from the Business Manager; performs complex research tasks; assembles data and information for reports; writes reports in accordance with written or oral instructions; maintains Business Manager's schedule of appointments; opens, reads, and routes mail; maintains a variety of files and records; operates standard office machines; other duties as assigned.

The secretary's responsibilities include clerical duties and varying tasks related to business services that are assigned by the business manager. The tasks include preparation of the annual district budget book that provides information regarding the general fund budget, expenditure policies, budget worksheets, budgets for all other district funds, salary information, and other miscellaneous budget information. Interviews indicated that development of this book is a large annual project. Employee attendance information reflects that the secretary worked overtime to complete the 2009-10 budget book. The district should review the capabilities of its financial software system to determine if budget information can be downloaded in the format needed for the budget book to eliminate the manual entry of data and save time.

The secretary is also responsible for the accounting of developer fees that are collected by the Tulare City School District for projects within the city limits and by the Tulare County Resource Management Agency for projects outside the city limits. The secretary tracks the permits issued, reconciles the fees to the district's financial system, disburses fees as necessary to feeder elementary districts and prepares the annual developer fee report.

Because school sites and departments do not have access to the district's financial software system, the secretary prints monthly budget summary and financial activity reports and sends them to the sites/departments. The district should provide the sites and departments read-only access to the financial system and train them in its use so they can access real-time budget information and run financial reports as needed.

Because the district does not have a director of food services, the business manager's secretary is responsible for processing the monthly meal reimbursement claims. She also reviews the free and reduced-price meal applications as needed to help the district's categorical secretary, who is responsible for processing the applications.

The district's three comprehensive high schools have ASB funds. The business manager's secretary is responsible for reconciling the ASB revenue forms to what was collected and spent for each activity. However, interviews indicated that activity reports are not received from the sites timely, and numerous verbal and written communications are sent to the ASB and club advisors to acquire the necessary documentation. Oftentimes the secretary is not made aware of fundraising activities and must review the accounts payable transactions for evidence of fundraisers and then contact the ASB advisors to obtain the necessary documentation

Education Code Section 35168 requires school districts to maintain an equipment inventory and states the following:

The governing board of each school district, shall establish and maintain a historical inventory, or an audit trace inventory system, or any other inventory system authorized by the State Board of Education, which shall contain the description, name, identification numbers, and original cost of all items of equipment acquired by it whose current market value exceeds five hundred dollars (\$500) per item, the date of acquisition, the location of use, and the time and mode of disposal. A reasonable estimate of the original cost may be used if the actual original cost is unknown.

The physical inventory is to be completed at least every two years and is to account for items of a relatively permanent nature that have an estimated useful life greater than one year. The business manager's secretary is responsible for entering equipment items with a value of \$500 or more into the district's financial system. Each school site is responsible for completing an annual inventory and sending the data to the district office. However, interviews indicated that inventory data has not been entered into the finance system for approximately two and a half years, and it is unknown when a reconciliation of the physical inventory to the finance system data was completed. The district may want to consider contracting with a firm that provides inventory tagging and scanning services if these duties are not being completed with in-house staff.

The secretary is responsible for reconciling the bank statements for the clearing and revolving cash accounts. A review of the records for the clearing account indicated that transfers from the bank to the county treasury had been made in only two months of the 2009-10 fiscal year, and a large account balance was reflected at the time of FCMAT's fieldwork. In addition, interviews indicated that ASB deposits are not posted timely; it may take several months after the funds are collected and deposited for the information to be reflected in the finance system. Deposits should be made to the clearing account at least weekly, and preferably daily. Per Education Code Sections 41001 and 41017, the funds are to be transferred to the county treasury at least monthly. However, FCMAT recommends that the district transfer these

funds to the county treasury at least weekly and immediately post the information to the financial system.

Recommendations

The district should:

1. Review the capabilities of its financial software system to determine if budget information can be downloaded and standardized in the format needed for the budget book.
2. Provide the sites and departments read-only access to the financial system and train staff in its use.
3. Require site principals to ensure that ASB advisors provide required information to the district office timely.
4. Ensure that inventory data is entered into the finance system timely and is reconciled to the physical inventory annually.
5. Consider contracting with a firm that provides inventory tagging and scanning services.
6. Develop routine deposit and transfer procedures and ensure funds are transferred from the clearing account to the county treasury and posted to the district's financial system at least weekly.

Account Clerks II and III

The district has two account clerk II and two account clerk III positions that report directly to the business manager. The account clerks have a good deal of longevity with the district ranging from four years for the most junior member to 27 years for the most senior.

Examples of duties for the account clerk II and account clerk III positions are as follows and were taken from what appears to be job postings because the headings state "Employment Opportunities," which would typically indicate a posting rather than a formal job description:

Account Clerk II

Performs financial record keeping operations related to one of the moderately complex elements of the District's accounting activities; maintains district inventory records; maintains accounts payable records; reviews and verifies material in connection with the paying of the district's bills through computer system; makes verifications in accordance with established procedures; prepares checks; prepares correspondence to vendors concerning the status of accounts; prepares financial statements; operates typewriters, calculators, computers and other office machines.

Account Clerk III

Performs financial record keeping operations related to one of the moderately complex elements of the District's accounting activities; extends and finalizes requisitions; issues purchase orders to cover the requisitions; enters and maintains a daily record of purchase orders; breaks down billings and charges to proper accounts; prepares revolving cash fund checks; prepares correspondence to vendors concerning accounts; processes U.P.S. mailings; issues district credit cards; assists with payroll; operates calculators, copy machines, computers, typewriters, and other office machines.

The district's Accounting Department Procedures document updated March 17, 2006, indicates that account clerk duties are to "Write vouchers, input request forms, process PO's, send invoices out for signature, input PO payments, input PV payments, balance APY batch, run tapes on remits, make TCOE copies, set up new vendors, open mail, balance statements, correspond with vendors, respond to information requests for account balances."

Each clerk is assigned a range of accounts payable vendors corresponding to a section of the alphabet in addition to other duties including the following:

Account Clerk II

- Processes purchase requisitions and accounts payable for vendors A-E (465 vendors)
- Prints all purchase orders daily and keeps manual log of printed purchase orders
- Picks up accounts payable warrants from county office and mails to vendors
- Processes payments for ASB scholarships
- Processes copy machine and clerical pool charges
- Sells football tickets

Account Clerk II

- Processes purchase requisitions and accounts payable for vendors M-R (278 vendors)
- Delivers accounts payable documents to county office
- Processes transfers of warehouse, cafeteria, postage and clerical pool charges
- Completes seating chart, orders and sells reserved-seat tickets for football
- Assists banking clerk by providing second count of sporting event cash boxes

Account Clerk III

- Processes purchase requisitions and accounts payable for vendors F-L (334 vendors)
- Inputs W-9 information in financial system
- Prepares bid documents for warehouse supplies and updates warehouse inventory system
- Prepares cash boxes for ASB activities
- Balances and replenishes revolving cash fund
- Orders district office supplies
- Sells football tickets

Account Clerk III

- Processes purchase requisitions and accounts payable for vendors S-Z (400 vendors)
- Handles requests for student records
- Writes receipts for funds received at district office
- Provides double count for deposits as needed
- Sells football tickets

One of the account clerks is responsible for printing all purchase orders and keeps a log of the orders printed each day. This manual log is provided to the warehouse staff for use in identifying shipments received. While the district should monitor and control pre-numbered purchase order stock, it should consider using a daily purchase order report generated by the financial system for use in the warehouse rather than a manual log.

One of the account clerks is responsible for delivering the required accounts payable back-up documentation to the county office each week. If the county office allows for such a process, the district should consider scanning the necessary documents and sending them to the county office electronically.

A summary review of the credit card statements for 2009-10 indicated that a finance charge of \$59 was included on the September 2009 statement. Interviews further indicated that at one time the use of credit cards was limited to administrative staff. However, this procedure is no longer followed and numerous staff members have been allowed to check out credit cards. Some receipts have not been submitted timely and finance charges are incurred on approximately three to four statements per year. In addition, the district purchases Costco gift cards that can be checked out of the business office and must be returned with a receipt for tracking purposes. Because gift cards are equivalent to cash and can be easily lost or misplaced, the district should investigate another form of payment for items that are purchased from Costco.

One account clerk is responsible for bidding, ordering and accounting for items in the district warehouse. This is a time-consuming process because the district bid is awarded by product rather than by the overall cost of all warehouse items. 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>

The district should also complete a cost analysis related to implementing a just-in-time ordering process whereby supplies are shipped directly to school sites and departments versus the current cost of maintaining a district warehouse. In addition, the district should consider

using the warehouse person for mail courier services rather than having an employee from each site deliver mail to the district office.

Only one clerk has been trained in district warehouse functions and the processing of cash boxes for ASB functions. The district should ensure that more than one employee is trained in each Business Department function to provide for proper internal controls and ensure that normal operations can continue in the absence of any employee.

Interviews indicated that each account clerk has access to the financial system screens that are necessary to add a vendor, process purchase orders and process payments. Allowing any individual access to all the screens necessary to set up and pay a vendor does not provide for proper internal controls and a separation of duties. A ghost vendor may be created and paid without the district's knowledge.

The district's administrative regulation 3350 states that "Meal expenses will be paid on the basis of actual expenditures but not to exceed the district's maximum allotment per day/per meal for the current year." Interviews indicated that numerous reimbursement claims are returned to employees because they have not included or signed each receipt. Rather than requiring receipts for each meal, the district should consider implementing a per diem meal allowance to reduce the time necessary for Business Department staff to process reimbursement claims and allow for employees to be paid more quickly. If the district decides to implement a per diem meal allowance, it should work with its independent auditors to ensure that all IRS regulations are followed. Information regarding per diem rates can be found in IRS Publication 1542 on the Web site at www.irs.gov.

The district's records for former students are housed in several locations. Some records are stored on laser fiche while others are stored in a warehouse located at the district office and others are stored at an off-site warehouse. This can make the location of student records a time-consuming task.

The Business Department is responsible for all accounting functions for the school site ASB funds. In FCMAT's experience, these functions are usually completed by clerical staff at the school sites; however, some districts have chosen to complete the accounting functions at the district office. The process of organizing and selling reserved seats for football games is cumbersome and disruptive to Business Department functions because the account clerks experience constant interruptions each day during football season. The district should discuss the process with Business Department and site staff to determine if a more efficient process can be implemented. For example: encourage early season purchases and stop selling reserved seats earlier in the year; consider redirecting the tasks and associated revenues to ASB or booster clubs; complete the sales at the receptionist's desk during limited hours; or outsource the sales to an external ticket vendor.

Consideration should be given to streamlining the purchasing and accounts payable process by restructuring the duties assigned to each account clerk. For example, one or two clerks

may be responsible for purchasing functions including the processing of purchase requisitions/orders, and the other two or three clerks may be responsible for accounts payable functions. Account clerk duties could be further specialized by assigning one clerk responsibility for ASB functions to help ensure continuity in ASB accounting. This specialization of duties should help to make processes more efficient, allow for a separation of duties and still provide for cross-training of staff members.

Recommendations

The district should:

1. Consider using a daily purchase order report generated by the financial system for use in the warehouse.
2. Consider scanning the necessary accounts payable documents and sending them to the county office electronically.
3. Establish written procedures for use of district credit cards and ensure they are followed.
4. Investigate another form of payment, rather than gift cards, for items that are purchased from Costco.
5. Consider purchasing supplies through a program such as the U.S. Communities Government Purchasing Alliance.
6. Complete a cost analysis of a just-in-time ordering process versus the cost of maintaining a district warehouse.
7. Consider using the warehouse person for mail courier services.
8. Ensure that cross-training is completed for each Business Department function.
9. Ensure that the account clerks responsible for paying vendors have read-only access to the screens required to add a vendor to the financial system.
10. Consider implementing a per diem allowance for meals.
11. Consider housing former student records in one location or storing the records in an electronic format.
12. Discuss the process of selling reserved seats for football season with Business Department and site staff to determine if a more efficient process can be implemented.
13. Consider restructuring and making account clerk duties more specialized in the areas of purchasing, accounts payable and ASB.

Payroll Bookkeeper and Payroll Clerk

The district has two positions that are responsible for payroll duties, the payroll bookkeeper and payroll clerk. Both positions report to the business manager. Each position is assigned duties related to certificated and classified payroll. The payroll bookkeeper has been with the district for 35 years and has seen tremendous growth in the number of staff and number of payroll warrants. The payroll clerk has been with the district for eight years and has also seen a considerable increase in the number of payroll warrants.

Examples of duties for the payroll bookkeeper position are as follows and were taken from what appears to be a job posting because the heading states “Employment Opportunities,” which would typically indicate a posting rather than a formal job description:

Verifies and extends time cards of all regular and substitute employees; computes gross salary and overtime; determines correct payment of salary; prepares and distributes warrants; computes deductions such as withholding tax, insurance, tax sheltered annuity, savings, and other miscellaneous deductions and forwards payment for such deductions; determines retirement rate for new employees; computes and maintains records of employee vacation and sick leave allowance, overtime and compensatory time credit and payment; computes payroll distribution by budget classification; compiles a variety of statistical reports on payroll operations; assists in computing payroll costs for budgeting purposes; independently interprets laws, rules, and regulations governing district payroll for employees of the District.

Examples of duties for the payroll clerk are as follows and were taken from the employment posting for the position of payroll assistant because a formal job description was not provided:

Assist payroll bookkeeper in preparation and maintenance of payroll; process employment forms including but not limited to disability, earnings, worker’s compensation, and EDD, or other agencies as requested; research and answer payroll related questions; maintain, process, and track employee vacation, sick leave, worker’s compensation, and catastrophic leave; process voluntary deductions; maintain, process, and track retiree insurance; provide backup clerical support for the business services department; perform related duties as assigned.

The payroll bookkeeper is primarily responsible for entering each new employee in the payroll system, processing the monthly contract pay for all employees and reporting STRS and PERS. The clerk is primarily responsible for employee absence tracking, processing voluntary deductions, processing workers’ compensation claims and helping to determine light duty assignments, and processing retiree insurance. Several of the payroll duties are shared between the two employees, such as calculating employee timesheets, processing employee absences and collecting salary overpayments. There is no clear definition of the duties assigned to each position.

Timesheets 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. However, the workload slows somewhat after payroll deadlines. During this time, other payroll duties can be accomplished such as filing and preparing reports. Interviews indicated that the payroll positions can normally complete their work in the regular workday.

Reassigning the processing of workers’ compensation claims and the coordination of light duty assignments to the Human Resources Department, as discussed earlier in this report, should provide time for additional payroll-related and Business Department duties. For

example, the business manager reconciles the health and welfare benefits to the invoices provided by the district's insurance carrier as time allows. This reconciliation should be completed monthly by the payroll staff. The district should also request that the monthly health and welfare statements be provided in an electronic format, such as Excel, to help make the reconciliation process more efficient.

Interviews indicated that many of the duties performed by the two payroll positions are very similar. However, cross-training has not been completed in all payroll functions. Additionally, the district should consider cross-training at least one of the account clerks in payroll duties.

Because the district enrollment and staffing has grown significantly in the last several years (CDE reflects 1998-99 enrollment of 4,144 and staffing of 376 vs. 5,022 enrollment and 485 staff members in 2008-09), the district should review the job duties of each payroll position and determine if changes need to be made to the job descriptions.

Recommendations

The district should:

1. Ensure that there is a clear definition of the duties assigned to each payroll position.
2. Transfer the workers' compensation duties, including claims administration and light duty coordination, to the Human Resources Department.
3. Assign the monthly health and welfare reconciliation duties to the payroll staff.
4. Ensure that cross-training is completed for all payroll functions.
5. Review the job duties of each payroll position and determine if changes need to be made to the formal job descriptions.

Banking Clerk

The banking clerk is a 19.5 hour per week, ten-month per year position that reports to the business manager. The individual in the position has been with the district for two months and is in the learning process for each of her assigned duties.

Examples of job duties are as follows and were taken from the employment posting because a formal job description was not provided:

Counts and receipts monies for various funds from school sites throughout the District; follows up on checks that have been returned to the District for non-sufficient funds; prepares bank deposits; operates a variety of office machines including coin and currency counting machines; initiates and receives telephone calls and makes contact with appropriate school officials; and performs other related activities as required.

This position is responsible for placing daily start-up cash in the cafeteria cash bags, recounting cafeteria and site deposits, and counting all other funds that arrive at the district office including ASB deposits and retiree health and welfare insurance payments. Receipts are written for all funds received using a three-part receipt book, and a copy is provided to the originator. After the funds have been counted and prepared for deposit, the deposit bags are placed in the safe room for pickup by the armored carrier service. Deposit bags are counted and recorded before transport to the bank, and bank receipts are returned to the business manager's secretary for account reconciliation.

Interviews indicated that neither the safe nor the safe room is locked during the day. Thus, the deposit bags are not secured when they are placed in the safe room. All deposits should be secured in a locked safe, with limited staff access to the key and/or combination. To provide for proper internal controls, the employee preparing the deposits should not possess a key/combination to the safe.

Deposit slips are kept in the banking clerk's desk. The deposit slips should be secured in a locked desk drawer or filing cabinet, with limited staff access. To provide for proper internal controls, access to deposit slips should be limited to authorized Business Department staff members such as the banking clerk, business manager and one back-up staff member.

Recommendations

The district should:

1. Safeguard all cash deposits in a locked safe with limited staff access.
2. Secure deposit slips in a locked desk drawer or filing cabinet with limited staff access.



Staffing Comparisons

Data for a comparison of business services department staffing was obtained from four California high school districts with student enrollment levels similar to Tulare Joint Union. The comparison districts surveyed were Placer Union, Delano Joint Union, Jefferson Union and Acalanes Union.

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 (high school)
- The size of the district
- Revenue limit districts (rather than basic aid)

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

COMPARISON OF BUSINESS SERVICES DEPARTMENT STAFFING IN SELECTED CALIFORNIA HIGH SCHOOL DISTRICTS

District	Tulare	Placer ¹	Delano ²	Jefferson ³	Acalanes ⁴
Enrollment*	5,022	4,524	4,634	5,150	5,714
Total Employees*	485	425	390	444	547
Chief Business Official (CBO)	Business Manager	Assistant Superintendent	Associate Superintendent	Associate Superintendent	Associate Superintendent
Business Department Support Staff	Secretary	Administrative Assistant	Administrative Assistant	Administrative Assistant	Administrative Assistant
	Account Clerk III (2)	Director, Budget & Accounting	District Accountant	Accountant	Director, Fiscal Services
	Account Clerk II (2)	Account Technician (3)	Payroll Supervisor	Account Technician	Payroll Clerk (2)
	Payroll Bookkeeper	Payroll Technician	Acct Clerk II - Purchasing	Payroll Technician (2)	Payroll Clerk (2)
	Payroll Clerk		Acct Clerk II - Payables	Accounts Payable Clerk	Purchasing Assistant
	Banking Clerk (.50)		Acct Clerk II - Receivables		Fiscal Analyst
			Account Clerk II - ASB		Accounts Payable Clerk
Total Support Staff	7.50 FTE	6.0 FTE	8.0 FTE	6.0 FTE	7.75 FTE
District has a Warehouse?	Yes	Yes, bulk items only	Yes, bulk items only	No	No
Warehouse Staff	Warehouse Worker	Warehouse Worker (.67); includes food service and mail delivery	Warehouse Worker; includes mail delivery	N/A	N/A

*2008-09 CBEDS (Source: CDE DataQuest)

¹Placer – CBO oversees fiscal services, food services, maintenance/operations/facilities; district participates in JPA for transportation services; food service department includes a director who oversees the warehouse; food service payables and meal reimbursement claims and free/reduced applications are processed by food service department; workers' comp processing completed by human resources; ASB clerical duties completed at school sites.

²Delano – CBO oversees fiscal services, food services, MOT, facilities, technology; transportation supervisor oversees the warehouse; food service department includes a director; meal reimbursement claims and free/reduced applications are processed by business office; employee attendance tracking completed by human resources (Associate superintendent of business has retired and is working part-time to oversee fiscal services; remaining departments are being overseen by other district administrators until associate superintendent position is filled.)

³Jefferson – CBO oversees fiscal services, food services, MOT, facilities, technology, classified human resources; superintendent oversees certificated human resources; food service department includes a director; meal reimbursement claims and free/reduced applications are processed by business office; workers' comp processing completed by human resources; ASB clerical duties completed at school sites.

⁴Acalanes – CBO oversees fiscal services, food services, MOT, facilities, technology, aquatics, classified human resources; superintendent oversees certificated human resources; food service department includes a director who also oversees custodial services; meal reimbursement claims and free/reduced applications are processed by food service department; health and welfare benefits processing completed by human resources; ASB clerical duties completed at school sites; district receptionist spends 75% of time on business office duties.

The survey indicates that the number of support staff members in the Business Department is slightly greater than the average of the four comparison districts. However, Tulare's staffing is .50 FTE less than the one comparison district that completes ASB accounting functions in the Business Department rather than at the school sites.

Each of the districts surveyed include a position of assistant or associate superintendent in the role of CBO and have either a director or accountant position in the business office in addition to clerks and/or technician positions. This type of position helps provide for a slightly increased level of responsibility and accounting knowledge in the department.

The CBO in each district surveyed oversees fiscal services, food services, maintenance/operations, facilities, and transportation. Some of the districts also assign the CBO to oversee technology and/or classified human resources. Each of the districts surveyed has a director of food services who manages the program and reports to the CBO.

Tulare Joint Union should consider hiring a director of food services that is assigned to administer the program as well duties that include coordinating food purchases district-wide, ensuring compliance for free and reduced-price lunch applications, increasing student participation and ensuring compliance with state and federal regulations. In addition, a director of food services should be able to help increase revenue and decrease expenses so that the cafeteria fund is able to pay for the director and contribute the allowable indirect costs to the general fund. A review of the district's 2008-09 unaudited actuals report indicates that the cafeteria fund is self-sustaining and has a fund balance of \$484,000. However, the fund did not pay indirect costs in 2008-09.

Recommendations

The district should:

1. Consider elevating the position of CBO to an assistant or associate superintendent level.
2. Assign the CBO to oversee fiscal services, food services, maintenance/operations, facilities and transportation.
3. Consider making one Business Department support position a director, manager or accountant level position.
4. Consider adding a director of food services position.



Appendices

Appendix A - Study Agreement



FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

CSIS California School Information Services

**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
December 3, 2009**

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the Tulare Joint Union High 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 Tulare Joint Union High 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. Assess the organizational structure, staffing and operations of the district's business department and make recommendations for improvement.

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 supervisory personnel on the procedures of the Team and on the purpose and schedule of the study.
- 2) On-site Review - The Team will conduct an on-site review at the District office and at school sites if necessary.
- 3) Exit Report - The Team will hold an exit meeting at the conclusion of the on-site review to inform the District 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 administration 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 cost. 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 may also include:

- A. Diane Branham, FCMAT Fiscal Intervention Specialist
- B. FCMAT Consultant to be determined

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. The District will be billed for the daily rate and expenses of the independent consultant, only. Based on the elements noted in section 2 A, the total cost of the study is estimated at \$7,000.00. 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:

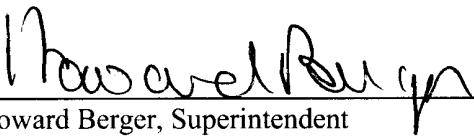
<i>Orientation:</i>	<i>January/February 2010</i>
<i>Staff Interviews:</i>	<i>to be determined</i>
<i>Exit Interviews:</i>	<i>to be determined</i>
<i>Preliminary Report Submitted:</i>	<i>to be determined</i>
<i>Final Report Submitted:</i>	<i>to be determined</i>
<i>Board Presentation:</i>	<i>to be determined</i>
<i>Follow-Up Support:</i>	<i>If requested</i>

7. **CONTACT PERSON**

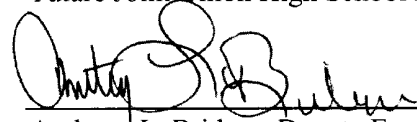
Please print name of contact person: Antonio Rodriguez, Assistant Superintendent

Telephone 559-688-2021 FAX 559-687-7317

E-Mail tony.rodriguez@tulare.k12.ca.us



 Howard Berger, Superintendent Date 12/10/09
 Tulare Joint Union High School District



 Anthony L. Bridges, Deputy Executive Officer Date December 3, 2009
 Fiscal Crisis and Management Assistance Team

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.