



CSIS California School Information Services

# El Monte Union High School District

## Organization/Staffing Review

August 18, 2016

Joel D. Montero  
Chief Executive Officer







August 18, 2016

Edward Zuniga, Acting Superintendent  
El Monte Union High School District  
3537 Johnson Avenue  
El Monte, CA 91731

Dear Acting Superintendent Zuniga:

In January 2016, the El Monte Union High School District entered into an agreement with the Fiscal Crisis and Management Assistance Team (FCMAT) to review the district's business office. Specifically, the study agreement states that FCMAT will complete the following:

1. Conduct an organizational and staffing efficiency review of the following departments in the district's Business Services Division:
  - a. Fiscal Services
  - b. Purchasing
2. Provide comparative staffing data for the Fiscal Services and Purchasing departments from three school districts of similar size and structure and make recommendations for staffing improvements or reductions, if any. FCMAT will make every effort to incorporate comparable districts located in the same geographical region and/or include comparable districts utilized in the collective bargaining process; however, FCMAT may need to extend the borders of the search area for comparable districts based on factors outside of its control such as lack of cooperation from targeted comparable districts, etc.
3. Evaluate the workflow and distribution of functions in and between the Fiscal Services and Purchasing departments to ensure that functions are properly assigned, sufficient oversight is provided and make recommendations for improved efficiency, if any.

During fieldwork on March 22, 23 and 24, 2016, the FCMAT study team visited the district office, reviewed information and conducted interviews with staff. This report contains the study team's findings and recommendations.

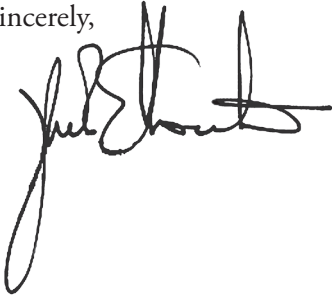
**FCMAT**

Joel D. Montero, Chief Executive Officer

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Administrative Agent: Christine L. Frazier - Office of Kern County Superintendent of Schools

We appreciate the opportunity to serve you and we extend thanks to all the staff of the El Monte Union High School District for their cooperation and assistance during fieldwork.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joel D. Montero', with a large, stylized initial 'J' and a horizontal flourish at the end.

Joel D. Montero  
Chief Executive Officer

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# About FCMAT

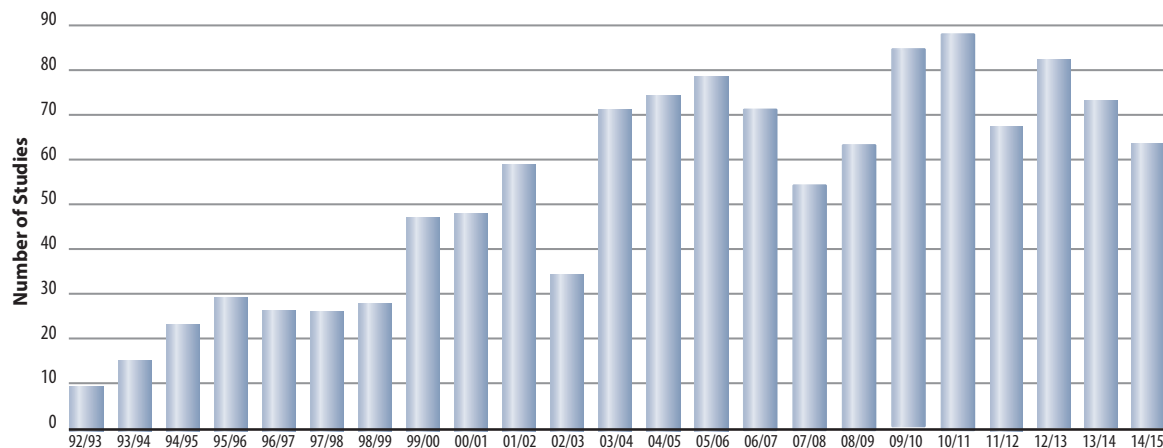
FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT's fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices, support the training and development of chief business officials and help to create efficient organizational operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and inform instructional program decisions.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the LEA to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of K-14 LEAs and the implementation of major educational reforms.

**Studies by Fiscal Year**



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help LEAs operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) division of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS). CSIS also hosts and maintains the Ed-Data website ([www.ed-data.org](http://www.ed-data.org)) and provides technical expertise to the Ed-Data partnership: the California Department of Education, EdSource and FCMAT.

FCMAT was created by Assembly Bill (AB) 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its state-wide data management work. AB 1115 in 1999 codified CSIS' mission.

AB 1200 is also a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. AB 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, Senate Bill 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 more than 1,000 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by 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.



# Introduction

## Background

Located in the heart of the San Gabriel Valley, the El Monte Union High School District was established in 1901 and includes Arroyo, El Monte, Mountain View, Rosemead, South El Monte and Fernando R. Ledesma high schools. The district also operates the El Monte-Rosemead Adult School, one of California's largest adult programs.

The district employs 623 certificated employees and 625 classified employees, and the staff provides educational programs for more than 9,000 students in grades 9 through 12 and 13,000 in adult education.

In January 2016, the district entered into an agreement with the Fiscal Crisis and Management Assistance Team (FCMAT) to review the business office. FCMAT reviewed job descriptions for all department positions; evaluated capacity, scheduling, efficiency and functions; and made recommendations for staffing and operational improvements. All recommendations in this report include estimated savings or costs for any proposed position reductions or additions. This component also included interviews with district and school employees regarding the level of service the department provides.

FCMAT evaluated the operational workflow of each function for the Fiscal Services, Purchasing and Warehouse departments and made recommendations for improved efficiency and standard industry practices.

## Study Team

The study team was composed of the following members:

Eric D. Smith, MPA  
FCMAT Fiscal Intervention Specialist  
Templeton, CA

Leonel Martínez  
FCMAT Technical Writer  
Bakersfield, CA

Michele Huntoon  
Fiscal Services Consultant  
Union City, CA

Guiselle Carreon\*  
Commercial Warrants and  
Accounts Payable Manager  
San Diego County  
Office of Education  
San Diego, CA

\*As a member of this study team, this consultant was not representing her respective employers but was working solely as an independent contractor for FCMAT. Each team member reviewed the draft report to confirm its accuracy and to achieve consensus on the final recommendations.

## Study and Report Guidelines

FCMAT visited the district on March 22, 23 and 24, 2016 to conduct interviews, collect data and review documents. This report is the result of those activities and is divided into the following sections:

- I. Executive Summary
- II. Organizational Structure
- III. Organizational Culture and Communication
- IV. Fiscal Services
- V. Purchasing and Warehouse
- VI. Staffing Comparison
- VII. Appendices

In writing its reports, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

# Executive Summary

FCMAT conducted an organizational and staffing study to provide the El Monte Union High School District governing board and administration with an independent and external review of its Fiscal Services and Purchasing departments. In doing so, FCMAT compared the department's staffing with that of similar districts and industry standards, using basic theories of organizational structure, which include span of control, chain of command, and line and staff authority.

A chief business official who has been in the district for less than a year manages the Business Services Division. The director of fiscal services position has an unreasonably large span of control, and the accounting supervisor position does not supervise or evaluate employees. The number of direct reports should be redistributed among the director of fiscal services and the accounting supervisor, and the latter position should supervise and evaluate employees.

Communication between management and staff, staff in the various departments of the Business Services Division, and the business office staff is unclear. Some staff are unprofessional when communicating with fellow employees and operate in isolation without regard for what is in the district's best interest. The superintendent should take the lead in improving communication throughout the district office. This effort could be initiated by holding a monthly district office-wide staff meeting that would allow the superintendent to provide important information on district developments. This meeting could be scheduled for the first of every month and held in the boardroom to accommodate all district office staff.

Staff who are not from the community of El Monte and did not attend schools in the district perceive the district's organizational culture as closed to outsiders. They indicated insiders carry more clout in the organization, making it difficult or impossible for outsiders to be heard. The superintendent should take measures to ensure everyone is heard, and all employees are included. The first step is holding employees accountable. The superintendent should set the tone of the organization and provide staff with the resources necessary to perform their duties, including training, direction and communication.

The district utilizes a financial software application [PeopleSoft (Oracle)] maintained and controlled by the Los Angeles County Office of Education. PeopleSoft has established securities that limit the district's ability to efficiently utilize only one system for financial reporting purposes. The district uses third-party software called Smarte Tools for reports in the district. Periodic uploads and downloads to and from Smarte Tools and PeopleSoft are used by staff for financial reporting.

The district uses a position control document that is generated electronically through Smarte Tools; however, the document is automated only until preparation for cabinet approval. The data is downloaded into Excel to prepare a report to the cabinet so it can review and approve positions included on the position control document. Once the Excel spreadsheet is returned from cabinet with approvals, personnel manually enter the data into HRS (a module within PeopleSoft). This is a duplication of effort. The district should work with the county office to establish guidelines that alleviate or eliminate the need to rely on a third-party software reporting application.

The district's process for approving positions begins when administration for the school site or district office initiates a personnel requisition that is forwarded to the Fiscal Services Department for budget approval, then to other departments for a restricted funded position, and finally to the cabinet before board approval. The positions or person(s) are often set up in HRS before board approval. Staff has no authority to make payment until the board takes formal action; therefore, a process should be established to ensure no hiring action is processed before board approval.

Communication should be improved between Purchasing and Accounts Payable. For example, Purchasing enters notes on the purchase order screen, but no alert is sent to Accounts Payable informing the department that a note has been submitted. Redundant processes should be eliminated. For example, Accounts Payable cannot upload copies of the invoice to the system, leading to unnecessary printing of backup and filing of paper documents.

The Accounts Payable Department lacks cross-training and a desk procedures manual. More than one employee should be able to perform each job. Each staff member should be required to use accrued vacation, during which time another staff member should be assigned to perform those duties. Inadequate cross-training is often a problem regardless of the size of an organization.

The district has no process to monitor purchases to ensure bid limits are not exceeded. Purchases by vendor are reviewed, but not by commodity. Sites are allowed to purchase office, instructional, custodial and other supplies and equipment from multiple vendors without any determination of whether cumulative purchases exceed the bid limit. The district should establish a process to monitor usage throughout the district since bid limits are cumulative districtwide by category of items. Use of valid piggyback contracts (i.e. those in which a district may purchase goods or services using a competitive bid from another public agency) or periodic letting of competitive bids for established categories would ensure district specifications are met in compliance with bidding laws.

# 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 for all staff members. This structure should be managed to maximize resources and reach identified goals and should adapt as the district's enrollment increases or declines. The district should be staffed according to 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 because subordinates at the lower levels typically perform more routine duties, and therefore can be more effectively supervised, according to "Principles of School Business Management" by Craig R. Wood, David C. Thompson and Lawrence O. Picus.

### 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 as described in "Principles of School Business Management."

### Line and Staff Authority

Line authority is the relationship between supervisors and subordinates and refers to the direct line in the chain of command. For example, the chief business official has direct line authority over the director of fiscal services, and the director of fiscal services has direct line authority over the Fiscal Services 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 financial resources. The organizational design should outline the management process and its specific links to the formal system of communication, authority and responsibility needed to achieve the district's goals and objectives.

At the El Monte Union High School District, the director of fiscal services' span of control is too broad. This position has an excessive number of direct reports, limiting her ability to effectively supervise business office staff and support the chief business official. The accounting supervisor position does not supervise or evaluate employees. The number of direct reports should be redistributed among the director of fiscal services and the accounting supervisor. For example, the director of fiscal services could supervise Fiscal Services staff who are responsible for budget, position control and payroll, and the accounting supervisor could supervise Fiscal Services staff who are responsible for attending accounting, accounts payable and accounts receivable. The accounting supervisor should also supervise and evaluate employees.

The Purchasing Department is located in a separate building from the Accounts Payable Department, impeding communication between the departments regarding the purchasing cycle. The district should consider relocating the Purchasing Department to the district office.

## Recommendations

*The district should:*

1. Redistribute the number of direct reports more equitably among the director of fiscal services and accounting supervisor.
2. Ensure that the accounting supervisor supervises and evaluates business office employees.
3. Consider relocating the Purchasing Department to the district office.

## Organizational Culture and Communication

Organizational culture is broadly defined as a system of shared assumptions, values, and beliefs that govern how people behave in school districts. These shared values strongly influence the people in the organization and dictate how they dress, act, and perform their jobs. Every school district possesses a unique culture. Organizational culture is generally not formal, but shaped by the actions of leadership over time.

Staff who are not from the community of El Monte, and did not attend schools in the district perceive the district's organizational culture as closed to outsiders. They indicated insiders carry more clout in the organization, making it difficult or impossible for outsiders to be heard. These staff indicated that within the district's organizational culture, people are either viewed as an "insiders," meaning they come from the El Monte community, or "outsiders" meaning they do not.

The superintendent should take measures to ensure that all employees are heard and included. The first step is holding employees accountable for adhering to the procedures established by the Fiscal Services Department. The superintendent should set the tone of the organization and provide staff with the resources needed to perform their duties, including training, direction and communication. Moreover, the superintendent should delegate authority through the chain of command and give employees responsibility for outcomes under their control. The superintendent should ensure management does not erode internal controls.

Effective communication is essential in providing a sense of stability and effective leadership. Without open and regular communication, inaccurate information may circulate and be assumed accurate. During interviews, many district staff members indicated the district office lacks sufficient communication. The superintendent does not conduct monthly staff meetings, and some district office departments have no meetings at all. Some departments do not participate in cross-department meetings or receive information about decisions that affect them.

Communication between management and staff, staff in the various departments of the Business Services Division, and staff of the business office is unclear. Some staff are unprofessional when communicating with fellow employees, refuse to have face-to-face conversations, and operate in isolation without regard for what is in the district's best interest.

Although the face-to-face meeting is preferable, a consistent form of communication that lists by department current and upcoming projects would be effective. This type of communication would make it easier to plan for projects individually and by department to avoid delays in completion time, payments, and meeting deadlines.

One important aspect of meetings is to ensure agendas are prepared in advance. To promote collaboration, the draft agenda should be distributed a week ahead of time to request topics. This timeline allows staff attending to be prepared to discuss the items that may be their responsibility. The agenda should also relate in some manner to the district's vision, mission, and goals statements to emphasize their importance and demonstrate how district office work is directly related to student learning and outcomes. Questions from staff can often be answered in the meetings, which can also communicate critical information. This is also an efficient and effective way to train new staff and build trust among leadership and staff.

The superintendent should take the lead in establishing better lines of communication throughout the district office. This could start by holding a monthly district officewide staff meeting to share important information. This meeting could be scheduled at the first of every month and held in the boardroom to accommodate all district office staff.

Department personnel that interact with each other daily should also meet as departments on a monthly or bimonthly basis. These include the following departments:

- Payroll/Human Resources
- Purchasing/Accounts Payable
- Purchasing/Facilities

## Recommendations

*The district should:*

1. Ensure the superintendent sets the tone of the organization, and provides staff with the resources needed to perform their duties, including training, direction and communication.
2. The superintendent should take measures to ensure that all employees are heard and included. The first step is holding employees accountable.
3. Ensure authority is delegated through the chain of command and give employees responsibility for outcomes under their control.
4. Ensure management does not erode internal controls, and employees are held accountable for their actions.
5. Ask the superintendent to convene monthly all-district office staff meetings at the district office.
6. Require personnel in departments that interact with each other daily to meet as departments on a monthly or bimonthly basis to improve communication.
7. Prepare written agendas in advance of each meeting.



## Fiscal Services

The district publicly provides its vision, mission, and goals clearly in a statement; however, it is unclear that all staff understand these and how to apply them to their respective departments.

### Strategic Planning

The district does not have strategic plan. Such a plan establishes priorities, drives momentum and resources, supports operations, ensures those affected work toward common goals, promotes agreement on outcomes/results, and drives adjustments to the organization, as necessary.

The district leadership has had significant turnover, and the resulting lack of stability has hampered staff's ability to work toward objectives. The superintendent establishes the district vision, and weekly cabinet meetings could serve as an opportunity for the superintendent to establish guidelines for a strategic plan memorializing the vision and mission statements. Change can often provide opportunities for leadership to review policies and/or practices and make any necessary changes.

### Recommendation

*The district should:*

1. Consider engaging in strategic planning. This process would ensure that those affected work collectively toward common goals and agree on outcomes.

### Employee Accountability

Staff indicated the business office lacks employee accountability. Staff members are sometimes not held accountable when a problem affects other staff members and other departments. In other instances, they are held accountable for duties and tasks that they may not be aware of or that are not included in their job descriptions. In some cases, the duties were transferred to another position or department without a change in the title or job description.

It is important for an organization to have clear roles, goals, and expectations. This includes decreasing conflict through improved communication. Departments under Business Services have several different locations, making communication even more important. Establishing roles, goals, and expectations will allow for planning to curtail problems and frustrations before they occur. The chief business official should periodically check in to make sure staff is functioning efficiently and determine if additional assistance or support is necessary. This will also provide an opportunity to determine workload and any necessary adjustments.

Establishing standards that are included in a business office handbook will help clarify expectations. This could be a Business Services Division project that is facilitated by one or two supervisors with input from all staff. The project should include a plan, timeline, meeting schedule, and efficient process for sharing the document(s) and material(s) (e.g., Google Docs).

Standards could be as specific as protocols for phone calls, response time for emails, and acceptable behaviors for all district office departments. A reward/incentive program(s) can be developed to recognize personnel with exemplary performance.

Because many district leaders are new to their positions and the district, El Monte Union has an opportunity to make significant changes to its organizational culture. Establishing a culture of service, responsibility, and accountability could begin by reviewing or establishing policies on accountability and responsibilities, updating as necessary, and communicating them to department personnel. Personnel standards will require training to support appropriate behavior and ethics.

## Recommendations

*The district should:*

1. Clearly articulate the duties and responsibilities of each position in the Fiscal Services Department.
2. Revise job descriptions to include the duties performed by business office staff members that are not in their job descriptions.
3. Establish roles, goals and expectations for the entire Fiscal Services Department.
4. Assign the chief business official to periodically check in with business office staff members to ensure they are functioning efficiently and determine if additional assistance or support is necessary.
5. Establish a business office handbook to clarify expectations for the business office staff.
6. Foster a culture of service, responsibility, and accountability. This could begin with reviewing or establishing policies on accountability and responsibilities.

## Position Control

The district's process for approving positions begins with the initiation of a personnel requisition by school site administration or district office administration to the Fiscal Services Department for budget approval, then to other departments for restricted funded positions, and finally to cabinet prior to board approval. The positions or a person(s) are often set up in the HRS system before board approval. These instances occur for regular full-time, part-time, hourly, and extra-hours positions. An HRS is a business process management software that is considered a fully integrated system that allows the financial system to run in an automated manner with multiple modules to process information. By entering information into the HRS at such an early stage, the district risks inadvertently paying employees before they are board approved.

To align with the district's goal of promoting fiscal responsibility to support student achievement, roles should be clearly identified. The leadership has changed in multiple departments over a short period of time, so staff has provided support between departments. Once the leadership roles are filled, the newly hired staff should retain their departmental responsibilities to establish themselves in the department and district.

During FCMAT's fieldwork, an administrator from one department directed an employee in another. This direction can often cause confusion and frustration among staff and mistakenly convey that someone other than the designated leader for that department is in charge. It is essential that the district practice unity of command ensuring that an employee is only accountable to one supervisor.

## Recommendations

*The district should:*

1. Establish a process requiring board approval before anyone, including a new position, is activated in the HRS to eliminate the risk of payment to any unapproved person. The staff has no authority to make payment until the board takes formal action.

2. Clearly delineate the responsibilities between each of the departments to provide a clear message to staff so there is a clear line of authority. The decision of the business office on the responsibilities or direction to staff related to work and coverage related to a vacancy should be the responsibility of the affected department. However, if a question or concern arises related to changes to job duties and/or job descriptions, the business office leaders should consult with the Human Resources Department.

### **Organizational Alignment for Payroll and Personnel**

The district transferred the benefits position from the Payroll to the Human Resources Department to mirror the organization of other area school agencies at the time. No change was made to the job description or the title when the position was transferred. As a result, the position is still under a job description of payroll technician I, with the duties of a benefits person, and reports to the assistant superintendent, human resources.

The district has two job descriptions for the payroll technician I and payroll technician II, including the duties assigned to each of the job titles. The payroll technician II position has duties listed in her job description related to paying classified employees, regional occupational center/program (ROC/P) teachers, certificated substitutes, processing tax sheltered annuities (TSAs) and workers' compensation; however, staff interviews indicated that the position no longer performs any of these duties. Those duties have been transferred to a position called the benefits payroll clerk even though there is no authorized job description for that position. The job description of payroll technician I includes processing payroll.

The district recently changed its third-party administrator for workers' compensation, but the amount of work necessary increased, which requires staff to spend additional time to perform tasks previously handled by the former administrator.

The district should evaluate the job descriptions for the payroll technician I and II to determine the duties of each position. If tasks have shifted from the payroll technician II to the payroll technician I, the district should evaluate the need to realign the positions with the corresponding duties. This would include returning duties to the payroll technician II as identified in that position's job description.

A second option would be to readjust the two payroll technician I positions to payroll technician II positions to align with the duties in the appropriate job description. A third option is to hire an additional Payroll Department position and reassign the duties related to ROC/P teachers, certificated substitutes, TSAs, workers' compensation and support for the two positions in Payroll to the new position. If the district chooses this option, it should adjust the payroll technician II position to payroll technician I position to align with the appropriate duties. This position would perform the additional duties no longer conducted by the outside third-party administrator for workers' compensation. As part of this assessment, the district should consider that the benefits payroll clerk performs her assigned duties without an authorized job description. This position should be part of the review since the duties are directly affected by any changes for the Payroll Department. The district should also include a reference to education and experience in the payroll technician I position job description.

## Recommendations

*The district should:*

1. Either transfer the payroll technician I position that handles benefits back to the Payroll Department, or change the title and duties of the benefits position. In addition, the district needs to adopt a job description for this position if it remains in the Human Resources Department.
2. Implement one of the following three options.
  - Evaluate the job descriptions for the payroll technician I and II positions to determine who performs which functions and realign the positions with the appropriate job duties.
  - Reassess the two payroll technician I positions to align with the duties in the job description for a payroll technician II.
  - Hire an additional Payroll Department position and reassign the duties related to ROC/P teachers, certificated substitutes, TSAs, workers' compensation, and support for the two Payroll positions to this new position.

## Lack of Integrated Financial System

The district utilizes a financial software application [PeopleSoft (Oracle)] maintained and controlled by the Los Angeles County Office of Education. PeopleSoft has established securities that limit the district's ability to efficiently utilize only one system for financial reporting. The district uses third-party software called Smarte Tools for district reports. Periodic uploads and downloads are made to and from Smarte Tools and PeopleSoft for reporting purposes. This has also increased the workload of the staff and resulted in work duplication. In addition, it has increased the managers' risk of receiving outdated financial information, which leads to management decisions based on inaccurate data.

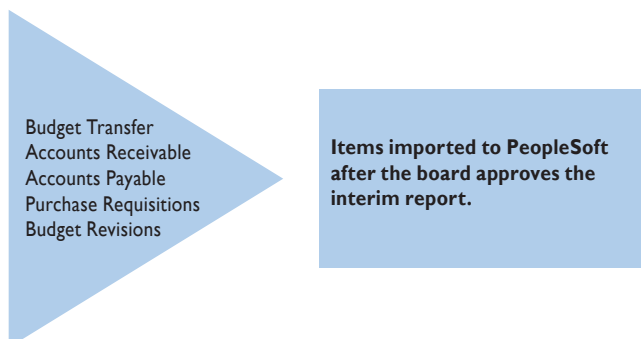
### PeopleSoft

**District uses to enter:**

- Journal Entries (JE) - JEs are imported to Smarte Tools weekly.
- Accounts Payable (AP) (Urgent Check) – AP is downloaded daily.
- Payroll Transfer (JE)

**County securities do not allow for a budget transfer without prior board approval**

### Smarte Tools



The transfer of the financial information from Smarte Tools to PeopleSoft occurs four times per year after the statutory reporting periods and places the district in a vulnerable position because it relies heavily on Smarte Tools. The timing and dates of the transfer are critical because of the decisions management may make any time during the fiscal year. Most of the day-to-day work is completed in Smarte Tools. The security limitation the county office places on the district has resulted in its reliance on an outside software application to obtain reports in an efficient time-line.

The accounts payable approval process can be accomplished multiple times before running the batch. In Smarte Tools, the approval can be accomplished only once. Utilizing Smarte Tools to approve accounts payable is restrictive given that fact.

To some degree, Excel can be used as the transferring application between the two systems through an upload and download. This provides a transfer without human intervention, reducing the risk of error. However, not all information can be transferred to the HRS system (position control system) electronically without human intervention. The district uses a position control document that is generated electronically through Smarte Tools; however, the document is automated only until preparation for cabinet approval. The data is downloaded into Excel to prepare a report to the cabinet so it can review and approve positions included on the position control document.

Once the Excel spreadsheet is returned from the cabinet with approvals, personnel manually enter the data into HRS (a module in PeopleSoft). This is a duplication of effort. The district has asked the county office when there may be an alternative to manual entry into HRS, but was told it will not occur for seven years.

Once it is entered into HRS, the data can be downloaded into an Excel spreadsheet. Some reports that are generated manually or tracked on separate worksheets could be generated from the HRS system in a manner that would allow for sorting and analysis.

The import performed weekly from PeopleSoft to Smarte Tools takes approximately five minutes to complete. The district could benefit from importing more frequently to ensure the most up-to-date information is included in the reports generated from Smarte Tools.

The enterprise resource planning system used by the district and maintained by the county office will clearly not be updated any time soon. The district should continue to work with the county office to establish guidelines that help decrease or eliminate its reliance on a third-party software reporting application.

A schedule should be posted so that all personnel who rely on the financial data transferred between the two systems stay informed of the process and the potential impact if reports are utilized outside of the timeframe of the transfer.

## **Recommendations**

*The district should:*

1. Continue to download and upload reports between the two financial software systems to eliminate human intervention and decrease the risk of data entry error.
2. Import more frequently between the two financial software systems to ensure that the most up-to-date information is included in the reports generated from Smarte Tools.

3. Work with the county office to establish guidelines that help decrease or eliminate its reliance on a third-party software reporting application.
4. Ensure a schedule is posted so that all personnel who rely on the financial data transferred between the two systems stay informed of the process and the potential impact if reports are utilized outside of the timeframe of the transfer.

### **Flex Time and Overtime Approval**

During FCMAT fieldwork, some employees incurred overtime without the prior approval of supervisors, which is against district policy. Overtime is a financial burden on the district that is often not planned or incorporated into the budget. As a result, an overtime increase has a direct and unplanned impact on the ending fund balance, which can affect instructional and noninstructional programs.

A review of overtime for the current fiscal year found that the Printing Department has incurred a consistent increasing level between last fiscal year and this fiscal year. As of the end of March 2016, many personnel had exceeded or were close to exceeding last year's overtime amounts. The amount of district overtime incurred this year is approximately \$5,000 more per month than last year.

The Printing Department provides an opportunity for the district to enhance revenues by offering printing services to outside organizations. The district should perform an analysis to determine if entering into such an effort would be fiscally advantageous. This option could help the print shop post a budget surplus instead of a deficit and meet the district's goal of financial solvency.

Some staff indicated other departments regularly incur overtime, but this could not be verified. However, if overtime is incurred, it should not be held for payment until the end of the fiscal year. California School Employee Association's (CSEA) collective bargaining agreement with the district, Article 19 states, "Authorized and Approved" as it relates to overtime hours. So overtime hours should not be submitted late, particularly without prior approval.

The district offers flexible start and end times for its employees; however, this arrangement was reportedly not negotiated with the local classified bargaining unit. Instead, the practice evolved over time to meet the needs of specific employees.

During fieldwork, some personnel began their day as early as 6:30 a.m., and spent the first 60 to 90 minutes unsupervised. The option of starting early, particularly in the Los Angeles area due to traffic volume and commute time, demonstrates district support for its personnel. However, it is important to consider the impact on customers, including other district employees. If personnel coverage is insufficient to serve customers coming to the district office, the district's mission and goals cannot be met. Staff interviews identified several occasions when personnel and community members were not served because of the early schedule and the lack of an available employee to address their needs.

## Recommendations

*The district should:*

1. Communicate a clear message to employees related to the CSEA's collective bargaining agreement, Article 19, regarding overtime hours.
2. Assess the workload in the Printing Department to determine the changes from last year. Once these are identified, the district should determine if the costs are one-time or ongoing. This information can be used as the analysis for staffing needs in that department.
3. Perform an analysis to determine if the Printing Department could enhance revenues by offering printing services to outside organizations. This option could help the print shop post a budget surplus instead of a deficit and meet the district's goal of financial solvency.
4. Re-evaluate its employee start and end times to determine if they meet the needs of school site personnel and the community. If early start times continue, a supervisor should be on site.





# Purchasing and Warehouse

## Accounts Payable (Nonconstruction)

Invoice turnaround time is hindered by communication and process issues. The district should develop written procedures and guidelines to include timelines for processing invoices. Two areas that should be addressed are the invoice processing cycle and the lack of an escalation process. For example, if a particular invoice is delayed because of processing issues, it is set aside until it cycles up again in approximately two-week intervals. This may delay processing for 30 days or longer. Moreover, the district has no escalation process to handle problematic invoices, creating additional payment delays. The best practice is to assign the Accounts Payable staff to track backup documentation and obtain signatures when lack of them is preventing processing of payments.

The district should develop an escalation process to move a task to a higher level of authority in the organization. This process would handle invoices with processing issues, relieving Accounts Payable account clerks from the responsibility of enforcing policy and procedures or noting violations beyond basic inquiries. The following is an illustration of a standard escalation process:

- Day 1 (Monday):      1st Notice      Account Clerk
- Day 4 (Thursday):    2nd Notice      Account Clerk
- Day 7 (Tuesday):    Final Notice    Accounting Supervisor/Director of Fiscal Services

The district's use of electronic systems is inefficient. Documents are uploaded digitally, printed and filed in Purchasing, then printed and filed in Accounts Payable. Purchase orders are still printed in five copies. Receiving paperwork is filled out in duplicate and sometimes triplicate. Receiving is performed using a hard copy for each purchase order. Purchasing staff scans and sends the document to the sites, and warehouse makes copies for each site for signature. Warehouse staff sends a signed copy to the site, resends another copy if a partial order was delivered and additional deliveries are made, and provides a packing list showing receiving data.

This redundancy occurs only when an order is being delivered directly to the site. Rather than notifying Purchasing or Warehouse, the site only notifies Accounts Payable that an order was received by way of the signed invoice. Accounts Payable does not notify Purchasing or Warehouse of the site delivery; therefore, the purchase order remains open, and Purchasing only learns of the delivery when it contacts the vendor to request a delivery status. Not knowing that Accounts Payable has already paid the invoice, closing the Purchase Order, Purchasing is only made aware of the delivery and payment after the fact, thus the duplicate or triplicate documentation process.

Communication between Purchasing and Accounts Payable should be improved. For example, Purchasing enters notes on the purchase-order screen, but no alert is sent to Accounts Payable to inform that department that a note was submitted. Accounts Payable cannot upload copies of invoices to the system, leading to unnecessary printing of backup and filing of paper documents. Communication between Accounts Payable and Purchasing is strained. Management directed staff to soften its written communication, but no follow-up has been provided.

## Recommendations

*The district should:*

1. Retrain staff on the system features to reduce the use of paper copies. This retraining should focus on the accessibility of systems information. For example, Accounts Payable staff should be able to view purchase order information and backup online instead of printing, scanning and emailing purchase orders and documentation.
2. Include alert for notes added to purchase orders or establish procedures that allow Accounts Payable staff to review every purchase order screen for notes (the latter may cause significant processing delays).
3. Investigate the possibility of scanning invoices to the system to reduce paper documentation and filing time. If all documentation becomes available in the system, lost paperwork should be less likely.
4. Provide training in communication skills, specifically on how to write a memo/email using a positive and collaborative tone.

## Expediting

Expediting is a concept in purchasing and project management for securing the quality and timely delivery of goods and components. Either Purchasing or Accounts Payable can perform expediting. In the district's case, it is performed by both because of the lack of communication and collaboration between the departments, resulting in a duplication of effort and inefficient use of time.

Expediting includes follow-up, which is a district effort to ensure the vendor meets the delivery timeline on the contract or purchase order. By practicing follow-up, the district places vendors on notice that orders are monitored. This usually ensures prompt delivery or notification from a vendor when delivery delays are anticipated. Follow-up also prevents unnecessary purchase order cancellations because of communication problems between the vendor and the district.

## Recommendations

*The district should:*

1. Review the division of duties between the Accounts Payable and ' departments, and assign specific responsibilities to eliminate duplication of effort.
2. Establish monthly (or more frequent) meetings with Accounts Payable and Purchasing to promote communication, discuss issues, and plan and coordinate processes.

## CAL-Card and Travel and Conference

The district has a limited number of CAL-Card purchase cards in circulation, but has no written policies to provide audit guidance to Accounts Payable. As a result, it lacks accountability measures for the use of CAL-Cards, and there are no consequences when users fail to submit statements in a timely fashion.

The district should implement purchasing card procedures outlining allowable and unallowable uses for the CAL-Cards. The district should develop a CAL-Card manual such as the one attached as Appendix A to this report. The manual should include language on the consequences for personal use of card, failure to submit receipts, and failure to submit statements in the allotted time.

The district has a travel and conference manual that explains the procedures for attending conferences, making hotel reservations, logging mileage and obtaining meal reimbursement, but the provisions are not followed. The district should review travel and conference procedures annually. A reminder memo/email should be sent to all staff members at the beginning of the year or annual training should be provided to ensure they comply and that new staff is trained on district policy.

## Recommendations

*The district should:*

1. Develop a CAL-Card manual to provide audit guidance to Accounts Payable and institute accountability measures when CAL-Card procedures are not followed.
2. Provide annual training on the district's travel and conference manual and institute accountability measures if travel and conference procedures are not followed.

## Cross-Training and Desk Manuals

The Accounts Payable Department lacks cross-training and a desk procedures manual. More than one employee should be able to perform each job in the department. Each staff member should be required to use accrued vacation time, during which another staff member is assigned to perform those duties. Inadequate cross-training is often a problem regardless of an organization's size.

Staff turnover demonstrates the need to document business processes and procedures and cross-train staff. At least one additional employee should be trained for each position so he or she can temporarily perform critical duties in the event of illness, vacation or resignation. This will allow the district to continue essential business office functions without interruption.

The Accounts Payable staff lacks desk manuals with include step-by-step procedures for business-related job duties and should make every effort to ensure these are developed. Desk manuals help ensure consistent application of internal controls and designate each position's internal control responsibilities.

Similarly, desk manuals provide an opportunity to plan and diagram internal controls and written standards for the business office, school sites and other district departments. Desk manuals are especially helpful for new staff in providing training, helping preserve institutional knowledge, and documenting and monitoring segregation of duties districtwide. These manuals should be developed and made available to the district office, school sites and other district departments to assist with processes and standards regarding accounts payable transactions and best practices.

## Recommendations

*The district should:*

1. Implement cross-training in all departments to allow the district to continue essential business office functions without interruption.
2. Establish desk procedures manuals for each position to ensure all duties are performed when an absence or vacancy occurs.

## Purchasing Procedures

Purchasing procedures are well documented in the Purchasing Manual, but are routinely ignored. Further, management generally approves purchases that violate procedures without consequences, undermining the director of purchasing's ability to enforce good business practices. Confirming purchase orders (meaning the purchase order is issued after services are rendered or goods received) are commonplace, and neither the requester nor the vendor are held accountable for ordering without a hard copy purchase order or for accepting a phone order. The district should re-educate staff on established policy for Purchasing and implement accountability for circumventing acceptable practices. The district should also follow up with a letter to the vendor outlining district policy and noting the district has no legal liability for orders placed outside the allowable procedures.

The district has no process for monitoring purchases to prevent bid limits from being exceeded. Purchases by vendor are reviewed, but not by commodity. Sites are allowed to purchase office, instructional, custodial and other supplies and equipment from multiple vendors without reviewing to determine whether cumulative purchases exceed the bid limit. The district should establish a process to monitor usage throughout the district since bid limits are cumulative districtwide by category of items. Use of valid piggyback contracts or periodic letting of competitive bids for established categories would ensure district specifications are met in compliance with bidding laws (this responsibility is currently unassigned because of the vacancy in the director of purchasing position).

Bid documents for construction are not current. For example, FCMAT noted during fieldwork that the "Notice to Bidders in the Low Voltage Bid EMUHSD ERATE 2015-16 (P3)" does not include statutory language for Department of Industrial Relations (DIR) registration or requirement for prevailing wages. Bid documents called for a noncollusion affidavit; however, the form was replaced by the noncollusion declaration in 2012. Various certifications are not listed, but are required by law. The district should review all forms of contracts periodically to ensure legal code changes are implemented, preferably by legal counsel.

The purchase order approval process is redundant. Sites/departments enter the requisition and it is routed through program approvals; to the director of purchasing; to the buyer for selection of vendor, pricing verification, and printing; and back to the director for approval. The director of purchasing approves *all* requisitions, once manually and again online, regardless of dollar amount. However, the buyers can still make changes to requisitions after approval by the director. This constitutes an internal control weakness since management should have final approval on all requisitions.

## Recommendations

*The district should:*

1. Re-educate staff on the established policy for purchasing, and implement accountability measures for circumventing acceptable practices.
2. Send follow-up letters to vendors outlining district policy and indicating the district has no legal liability for orders placed outside the allowable procedures.
3. Institute a process to monitor purchases, including by commodity, to ensure bid limits are not exceeded.
4. Utilize valid piggyback contracts or periodic letting of competitive bids for established categories to ensure district specifications are met in compliance with bidding laws.
5. Periodically review all forms of contracts to ensure legal code changes are implemented, preferably by legal counsel.
6. Review the purchase requisition routing process to streamline approvals and improve turnaround or processing of purchase orders.
7. Consider establishing a minimum amount for approval of purchases by the director of purchasing or use of object code routing (objects codes greater than 5000) to increase the position's efficiency.
8. Consider using a wet-ink signature only when purchases orders are issued for contracts, capital purchases, or purchase orders exceeding a set limit.
9. Purchasing should only be allowed to make changes up to the change order limit on requisitions or purchase orders. Anything exceeding 10% should reroute through workflow for approval.

## Independent Contractor Versus Employees

The Purchasing Department lacks knowledge of regulations concerning independent contractor as distinguished from those for employee regulations. As a result, long-term independent contractors have been provided with office space, use of equipment, materials, etc. in violation of Internal Revenue Service (IRS) regulations. Independent contractors have been hired for interim positions that should have been classified as employees.

## Recommendations

*The district should:*

1. Provide training to Purchasing staff on independent contractor vs. employee differences.
2. Implement a process to review independent contractor agreements before a contract is signed. (A sample determination sheet is attached as Appendix B to this report.)

## Delegation of Authority, Cross-Training and Desk Manuals

The Purchasing Department lacks knowledge concerning delegation of authority. Authority to enter into purchases on behalf of the district must be board-approved. The district should disseminate information regarding delegation of authority to all sites and departments to avoid placing an unauthorized signature on agreements, resulting in unenforceable contracts. The district should consider delegation of authority by position instead of name to allow for continuity of operations when personnel move in and out of positions.

The department lacks cross-training and a desk procedures manual. More than one employee should be able to perform each job in the department. Each staff member should be required to use accrued vacation time, during which another staff member is assigned to perform those duties. Inadequate cross-training is often a problem regardless of the size of an organization.

Staff turnover demonstrates the need to document business processes and procedures and to cross-train staff. At least one additional employee should be trained for each position so he or she can temporarily perform critical duties in the event of illness, vacation or resignation. This will allow the district to continue essential business office functions without interruption.

Purchasing staff lack desk manuals that include step-by-step procedures for business-related job duties and should make every effort to ensure these are developed. Desk manuals help ensure consistent application of internal controls and designate each position's internal control responsibilities.

Similarly, desk manuals provide an opportunity to plan and diagram internal controls and written standards for the business office, school sites and other district departments. Desk manuals are especially helpful for new staff. They can provide training, help preserve institutional knowledge, and document and monitor segregation of duties districtwide.

The districts business procedures manual should be maintained and made available to the district office, school sites and other district departments to serve as a guide to the district's business processes in purchasing, contracting, and accounts payable.

## Recommendations

*The district should:*

1. Disseminate information on delegation of authority to all sites and departments to avoid placing an unauthorized signature on agreements, resulting in unenforceable contracts.
2. Consider delegation of authority by position instead of name to allow for continuity of operations when personnel move in and out of positions.
3. Implement cross-training in all departments to allow the district to continue essential business office functions without interruption.
4. Establish desk procedures manuals for each position to ensure all duties are performed when an absence or vacancy occurs.
5. Maintain a business processes manual that references the district's purchasing, contracting, and accounts payable policies including signatory authority, deadlines, conflict of interest, and other pertinent topics.

## Competitive Bidding/Public Works

The district opted into the California Uniform Public Construction Cost Accounting Act in August, 2016, but has failed to implement proper procedures under the Act. The district neither maintained a registered contractor list nor notified trade papers that it was an Act district. The district must use one or both methods to comply with the law. The district also did not adopt the informal bidding policy through revision of the administrative regulation (ordinance) as required by the act.

The district's administrative regulation allows for a protest period that ends five days after award. This is problematic and could lead to litigation. Awarding work to only a few "preferred" contractors may result in a perceived conflict of interest. Staff lack understanding of the proper implementation of the quoting, informal, and formal bidding process. The district has also not adopted emergency procedures under the act and does not follow the requirements.

## Recommendations

*The district should:*

1. Establish and publish a list of contractors to fulfill the requirement of the Act and revise the protest period to five days after opening of the bid. (A sample administrative regulation is attached as Appendix C to this report.)
2. Prepare written procedures and train all staff that handle quotations, informal bids, and formal bids. (Sample procedures are attached as Appendix C to this report.)
3. Consider moving informal and formal bidding to the Purchasing Department to eliminate any appearance of conflict of interest and preferential treatment of specific contractors.
4. Submit emergency procedures to the board for adoption as soon as possible. (A sample resolution is attached as Appendix D to this report.)

## Custodial Supplies and Civic Center Act

The district's deferred maintenance plan is not current, making it difficult to schedule bids for seasonal and summer work. The district should establish a project priority list (formerly called a deferred maintenance plan) to maximize opportunities for public works projects. Sites prepare requisitions for custodial supplies on paper and send them to the Maintenance Department clerk, who re-enters them into the system, resulting in a duplication of work. The clerk in the Maintenance Department spends roughly half her time entering these requisitions. The district should train sites to enter Stores orders into the system to be verified and approved by the facilities, maintenance, operations, and transportation coordinator, freeing up the clerk from that department to complete her other duties more efficiently and reducing the need for overtime. The district should also consider decentralizing the custodial budget to make sites accountable for the quantities they order.

Compliance with the Civic Center Act is not enforced. Sites are permitted to waive fees without consideration of legal requirements to charge for all functions that collect fees. Sites waive insurance requirements without consulting with the facilities, maintenance, operations, and transportation coordinator clerk. The Use of Facilities contract is lacking or submitted after the fact. The district should retrain staff on use of facilities procedures and establish a fee schedule for



all types of uses. (A sample schedule is attached to Appendix E to this report.) The district office management should review all fee waiver requests to avoid the appearance of favoritism or gift of public funds.

## Recommendations

*The district should:*

1. Establish a project priority list (formerly called a deferred maintenance plan) to maximize opportunities for public works projects.
2. Train sites to enter Stores orders into the system to be verified and approved by the facilities, maintenance, operations, and transportation coordinator, freeing up the clerk from that department to complete her other duties more efficiently and reduce the need for overtime.
3. Consider decentralizing the custodial budget to make sites accountable for the quantities they order.
4. Retrain staff on use of facilities procedures and establish a fee schedule for all types of uses.
5. Require management to review all fee waiver requests to avoid the appearance of favoritism or gift of public funds.



## Staffing Comparison

Data for a comparison of the district's business office staffing was obtained from three California unified school districts with student enrollment similar to that of the El Monte Union High School District. FCMAT chose a list of comparable districts using information provided by the Ed-Data website ([www.ed-data.k12.ca.us](http://www.ed-data.k12.ca.us)) for the most recent fiscal year available (2013-14) and the comparison districts themselves. The comparison districts surveyed were the Escondido, Perris and Merced union high school districts.

The comparison of organization and staffing should be viewed as a guideline for appropriate staffing levels rather than in absolute terms because California school districts are complex systems that vary widely in demographics, resources, climate, and organization. For example, this report considers organization and staffing in high school districts that share certain functionalities to various extents, but this comparison also will vary significantly because of the relatively small number of large high school districts in the state. Determining staffing needs based on one or two criteria can be misleading if significant circumstances are not considered. Therefore, comparative data should be used with the formulas provided in this report to determine the staffing levels appropriate for the district's unique characteristics.

In comparing districts, FCMAT took into account the following:

- The grade level configuration (high school district)
- The enrollment of the district
- The percentage of English-language learners
- The percentage of students who are eligible for free and reduced price meals
- The percentage of minority students
- The largest ethnic group represented

County Name	District Name	Enrollment	Students			
			% English Learners	% Free or Reduced Meals	% Minority	Largest Ethnic Group
San Diego	Escondido Union High	9,303	15.1%	59.7%	69.3%	Hispanic or Latino
Riverside	Perris Union High	10,435	17.5	71.2	83.3	Hispanic or Latino
Los Angeles	El Monte Union High	9,573	21.6%	90.2%	98.4%	Hispanic or Latino
Merced	Merced Union High	9,964	9.2%	77.7%	81.7%	Hispanic or Latino

The following tables show the business office staffing for the district and each of the comparison districts:

District Name	Management	Accounting	Payroll	Purchasing*
El Monte Union High	Director of Fiscal Services			
	Director of Purchasing			
	Accounting Supervisor	8	2	2
Perris Union High	Director of Fiscal Services			
	Director of Purchasing	5	3	3
Escondido Union High	Director of Finance			
	Director of Purchasing	5	2	3
Merced Union High	Director of Fiscal Services			
	Purchasing Manager			
	Budget Analyst	5	2	1

\*Does not include warehouse or printing

Each comparison district surveyed employed a director of fiscal services and a director of purchasing or purchasing manager, but only El Monte Union had an accounting supervisor. However, the Merced Union High School District had a budget analyst, which is classified as a management position.

El Monte Union had the highest number of accounting staff among the comparison districts, but also was second-lowest in purchasing staff. The number of payroll staff was consistent among all four districts, with the exception of Perris Union, which is slightly larger in enrollment.

Based on the comparative staffing data, the district appears to be adequately staffed in the business office. However, the district should continue to monitor staffing levels based on changes in enrollment, educational programs and the availability of capital facilities funding.

### **Recommendation**

*The district should:*

1. Monitor business office staffing levels based on changes in enrollment, educational programs and the availability of capital facilities funding.

# Appendices

- A. Sample CAL-Card Manual**
- B. Sample Contractor Determination Sheet**
- C. Sample Administrative Regulations**
- D. Sample Emergency Resolution**
- E. Sample Facility Use Fee Schedule**
- F. Study Agreement**



## Appendix A: Sample CAL-Card Manual

# CREDIT / PROCUREMENT CARDS



**POWAY UNIFIED SCHOOL DISTRICT  
BOARD POLICY****Originator:** Asst. Superintendent, BSS**Issue No:** 1**Date:** 3/19/01**Page:** 1 of 1**Reference:** EC 39656, 39657**ARTICLE: 6.0 BUSINESS SUPPORT SERVICES****6.10 FINANCE**

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**SECTION 6.18 CREDIT CARD ACCOUNTS AND USAGE**

The Director of Finance is authorized to augment purchasing procedures by opening and maintaining credit card accounts for use by Superintendent's Cabinet, Purchasing Department, and other staff members as prescribed by Administrative Procedure 6.18.1. The Director of Finance will maintain appropriate fiscal controls for all accounts to ensure that public monies are not disbursed in amounts in excess of the budgeted appropriations by the Board of Education. All purchases shall conform to the purchasing policies currently established by the Board.

BP 6.18

Poway Unified School District

## Purchasing Card (P-Card)

**Use your Purchasing Card (P-Card) for small dollar, high volume purchases, such as:**

- Office Supplies
- Travel
- Staff Meetings

**Disallowed expenditures: P-Card payments to or for the following are not allowed:**

- Lecturers and presenters
- Consultants
- Contracted services including telephone contracts
- Gift cards
- Phone cards
- Buying equipment over \$499.99 including sales tax
- Gifts or flowers for co-workers or for staff
- Staff parties

### Clearing your purchase on Smart Data Online

- Please code and describe the charge within 10 days of purchase
- If the expense is related to a conference, give the title of the conference and the names of attendees
- If the charge is not cleared in 10 days, the cards will be temporarily frozen
- If there is continued misuse of the P-Card, your card will be cancelled

### Common Problems

- Not clearing charges on Smart Data Online
- Not forwarding invoices / receipts to the accounting department in a timely fashion
- Buying equipment over \$ 499.00
- Using the site P-Card for ASB purchases
- Using the P-Card to charge "flight change" fees (e.g., if you come home early from a district paid conference). This fee is your responsibility.



Poway Unified School District

## Purchasing Card Administrative Procedure

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### 1.0 PURPOSE:

To set forth the Policies and Procedures for the District Purchasing Card Program.

### 2.0 INTRODUCTION:

The Poway Unified School District (The District) Purchasing Card Program has been established to provide a convenient means with which to make purchases and, at the same time, reduce the costs associated with initiating and paying for those purchases. The Accounting Department is responsible for managing the Program and each school and department is responsible for managing its Cardholder accounts. Two areas of responsibility have been defined within each school or department to assist in this management effort. They are the Cardholder and School or department head. It is important to understand that these areas of responsibility do not necessarily equate to two separate individuals within the school or department. It is permissible for one individual to be assigned one or more of these responsibilities as defined in these Policies and Procedures. The ultimate decision as to how each of these responsibilities is assigned will be made within each school or department.

### 3.0 DEFINITIONS:

**3.1 Purchasing Card:** A MasterCard issued to an employee of The District for the purpose of making authorized purchases on the District's behalf. The District will issue payment for charges made with the Purchasing Card.

**3.2 Cardholder:** District full-time permanent employee whose name appears on the Purchasing Card and is accountable for all charges made with that card.

**3.3 School or department head:** District employee(s) within each school or department responsible for verifying that all charges against the Cardholder's account are approved and that the documentation is retained within the school or department. School or department heads have the ability to allocate individual charges to any of the District budget accounts under their control. Cardholders may be their own School or department heads and a School or department head may oversee more than one Cardholder account depending on how the school or department elects to manage its accounts. A school or department may have more than one School or department head.

**3.4 Program Administrator:** The Accounting Department employee responsible for administering the Purchasing Card Program for the District and acting as the main contact for the District.

**3.5 Transaction / Spending Limit:** A dollar limitation of purchasing authority assigned to the Cardholder for each total charge made with the Purchasing Card. This amount must not exceed the predetermined spending limit. School or

## Poway Unified School District

departments establish limits on a per Cardholder basis. A single transaction/charge may include multiple items but cannot exceed the predetermined spending limit.

**3.6 Monthly Spending Limit:** A dollar limitation of purchasing authority assigned to the Cardholder for the total of all charges made during each monthly billing cycle. Schools or departments establish limits on a per-Cardholder basis.

**3.7 Monthly Statement:** A listing of all transactions charged to the Cardholder's card account up to the end of the monthly billing cycle. This statement is sent by the processor, directly to the Cardholder, on a monthly basis.

**3.8 Default General Ledger Account:** The District account code assigned to specific merchant category codes.

**3.9 Support Documentation:** A merchant produced or non-District document that records the relevant details for each item purchased including quantities, amounts, a description of what was purchased, the total charge amount and the merchant's name and address (e.g. sales receipt, original invoice, packing slip, credit receipt, etc.).

#### 4.0 RECEIVING THE PURCHASING CARD:

**4.1** A complete Cardholder Account Form must be submitted for each prospective Cardholder. The School or department head must sign this form, select the purchasing controls and then forward to the Program Administrator.

**4.2** All prospective Cardholders must attend a training session and sign a Cardholder Agreement prior to receiving a Purchasing Card.

**4.3** In order to provide a measure of security, the purchasing card requires activation. When the card is received; a sticker prompts the Cardholder to activate the purchasing card. Once activated, the purchasing card is ready for use. Activation is required only once for each purchasing card received.

#### 5.0 AUTHORIZED CARD USE:

**5.1** Cardholders are authorized to use the Purchasing Card to purchase any merchandise or services required as a function of their duties at the District with the exception of the following:

1. Items for personal use
2. Items for non-District purposes
3. Cash advances
4. Any purchase prohibited by District policy or not related to District business
5. Equipment valued at more than \$499.99 including tax.
6. All personal services performed by an individual, including but not limited to presenters, lecturers, interpreters, et al. No independent contractors are allowed to be contracted with the Purchasing Card. Use the Consultant Services Request form B74 and follow the rules under the Business Services Guide.

Poway Unified School District

7. Contracted services valued at \$2,000 or greater.

5.2 Only the Cardholder whose name is embossed on the Purchasing Card is authorized to use the card and is responsible for ensuring that all charges made with the card are in compliance with these Policies and Procedures.

5.3 The total value of any one charge made with the Purchasing Card may not exceed the single transaction limit stipulated on the Cardholder's Enrollment Form.

#### 6.0 UNAUTHORIZED AND/OR INAPPROPRIATE CARD USE:

**The Purchasing Card must never be used to purchase items for personal use or for non-District purposes even if the Cardholder intends to reimburse the District.**

**A Cardholder who makes an unauthorized purchase with the Purchasing Card, as defined in section 5.0, or uses the Purchasing Card in an inappropriate manner will be subject to disciplinary action that can include card cancellation and termination of employment at the District.**

6.1 Failure to comply with the requirements of this User Manual may result in immediate revocation of procurement card privileges if any of the following exceptions occur:

- Splitting of charges to avoid the single purchase dollar limit.
- Loaning the card to another employee for use.
- Allowing purchases to be signed for by anyone other than the Cardholder. The exception being a delivery receipt, explained in this User Manual Procedure 9.
- Failure to submit receipts for charges.
- An inadvertent personal purchase occurs for the second time.
- Second time the monthly Cardholder statement is submitted to Accounting more than 10 days after the monthly statement date.
- Second time the attached receipts do not match the item descriptions or dollar amounts listed on the monthly statement of account.

#### 7.0 MAKING A PURCHASE WITH THE PURCHASING CARD:

7.1 Confirm that the selected merchant accepts MasterCard. If not, choose another. In either case, inform the Program Administrator, via the school or department Contact, about the fact that the original merchant did not accept MasterCard.

7.2 When making purchases in person, the Cardholder must sign the charge receipt and retain the customer copy. The Cardholder should verify that either the charge receipt or sales receipt complies with the requirements for support documentation set forth in Section 3.0 (paragraph 3.9).

7.3 When making non-face-to-face purchases (e.g. via telephone, Internet, mail order, etc.) Cardholders should give the merchant the account number embossed on

## Poway Unified School District

their card and direct the merchant to include the following on the shipping label and/or packing slip:

1. Cardholder name and phone number
2. School or department name
3. Complete delivery address, including suite number, and the words "MasterCard Purchase"

Regardless of who receives the shipment, the Cardholder is responsible for obtaining all documentation (packing slips, mail order form copies, etc.) related to the purchase and verifying that the documentation complies with the requirements for support documentation set forth in Section 3.0 (paragraph 3.9).

#### 8.0 MERCHANDISE RETURNS AND EXCHANGES:

**8.1** The Cardholder is responsible for contacting the merchant when merchandise purchased with the Purchasing Card is not acceptable (incorrect, damaged, defective, etc.) and arranging a return for credit or an exchange.

**8.2** If merchandise is returned for credit, the Cardholder is responsible for obtaining a credit receipt from the merchant and retaining that receipt with the support documentation for that purchase. ***Receiving cash or checks to resolve a credit is prohibited!***

**8.3** If merchandise is to be exchanged, the Cardholder is responsible for returning the merchandise to the merchant and obtaining a replacement as soon as possible and should be within 30 days. Documentation showing the proper resolution of the exchange is to be retained with the support documentation for that purchase.

#### 9.0 RECORDS RETENTION:

**9.1 Cardholder Responsibility:** The Cardholder is responsible for obtaining purchase documentation from the merchant (sales receipt, packing slip, etc.) to support all purchases made with the Purchasing Card and verifying that the documentation complies with the requirements for support documentation set forth in Section 3.0 (paragraph 3.9).

**9.2 Receipt Not Available:** For mail, phone, fax or Internet purchases in which a receipt is not available, use a copy of the completed application, flier or order form as the receipt. E-mail and fax confirmations of purchases should be obtained when possible. All alternate receipts should clearly indicate the total dollar amount, description of the product or service ordered, Cardholder's name and that payment was made using the purchasing card.

In all other instances, if the receipts are unavailable, the Cardholder must submit a formal written, signed affidavit explaining and describing the transaction in detail.

**9.3 Lost Receipt:** If the cash register receipt or the signed credit form is lost, the Cardholder must first attempt to contact the merchant and obtain a copy of the

## Poway Unified School District

documentation. If that is not possible, the Cardholder must submit a written affidavit describing the transaction in detail. The Cardholder's supervisor must review and sign the written affidavit.

**10.0 CARDHOLDER VERIFICATION OF CHARGES:**

**10.1** Cardholders are accountable for all charges made with their Purchasing Cards and are responsible for checking all transactions against the corresponding support documentation to verify their accuracy and propriety. Verification should be done regularly using the MasterCard's on-line transaction review system, SmartData Online and the Cardholder's printed Monthly Statement.

**10.2** All transactions processed during a monthly cycle will be reflected on a monthly statement of account. Each Cardholder will receive a copy of their statement of account at the end of the monthly cycle. During the cycle, Cardholders are responsible for retaining the original copy of all transaction receipts.

Cardholders are to review their transactions on Smart Data Online (SDOL) for accuracy, including transactions, amounts, and default General Ledger (GL) codes. If a GL code for a purchase is incorrect, the Cardholder is to reallocate the default GL code and replace it with the desired GL code. Once each transaction is properly allocated, the Cardholder will check the "Cardholder Reviewed" box, which will "lock" the information into the system.

Original receipts must be stapled to the monthly statement along with any required written explanations.

~~The monthly statement of account and attached receipts should then be forwarded to the Accounting Department within 10 days from the date on the statement.~~

Keep a record (duplicate copies) of all receipts, written explanations, statements and forms submitted. Each Cardholder is responsible for keeping their own documentation and processing the statements for payment. In the absence of the Cardholder, the supervisor is responsible for processing the payment. Each Cardholder is responsible for informing their supervisor of the location where the receipts and documentation are kept.

Charges will be expensed to the Cardholder's school or department by Accounting using the account information listed on the monthly Cardholder's statement of account.

Accounting will review each monthly statement and if an exception is identified, they will return a Notification of Exceptions report to the supervisor and Cardholder for correction. The Cardholder's school or department head and the Purchasing Card Program Administrator will also be notified of the exceptions. Violations noted may lead to or be reason for card revocation.

## Poway Unified School District

**10.3** If a particular charge or credit does not appear on-line or on the Monthly Statement, it should be checked against future on-line transaction information and/or the next Monthly Statement. If the charge or credit does not appear within 60 days after the original charge was made, the Cardholder must notify the Program Administrator.

**10.4** If the Cardholder disputes a charge, the nature of the dispute and the final resolution must be documented. This documentation must be retained with the Monthly Statement on which the disputed charge appears. (See [Section 11.0](#))

**10.5** After all transactions have been checked, the Cardholder must forward all documentation to Accounting and send an email to the School or department head informing them that their review is complete and specifying the date ranges reviewed.

#### **11.0 CARDHOLDER CHARGE DISPUTE RESOLUTION:**

In the case of a disputed charge, the Cardholder must try to resolve the dispute directly with the merchant. If the dispute cannot be resolved, the Cardholder must complete a Cardholder Dispute Form within 30 days of the date noted on the Statement that lists the disputed charge and forward the completed form to the Program Administrator.

#### **12.0 SCHOOL OR DEPARTMENT HEAD VERIFICATION OF CARDHOLDER CHARGES:**

**12.1** The School or department head is responsible for reviewing each transaction using SmartData Online and indicating in the designated field if the transaction is approved. ~~Cardholders will perform this function if they are School or department heads.~~

**12.2** For a charge to be approved, there must be adequate support documentation available so that the School or department head can ascertain that the purchase is valid and the Cardholder is accountable for that purchase.

**12.3** For there to be a discrepancy associated with a charge, any one or more of the following situations may exist:

1. Insufficient transaction information.
2. One or more of the criteria for authorized card use set forth in Section 5.0 have not been met.
3. The Cardholder disputes the charge. (See Section 11.0)

All discrepancies must be investigated and resolved. The disposition of each discrepancy must be documented and retained with the Support Documentation and/or Monthly Statement. Cardholders are accountable for all discrepancies.

*Note:* If a discrepancy cannot be resolved, the Program Administrator must be notified.

## Poway Unified School District

**12.4** Transactions must be approved using the on-line transaction review system, as soon as possible after they become available (transactions will be loaded daily). If a particular transaction has not been reviewed within 10 days of the Statement date, a reminder will be sent to the School or department head. If after 30 days the transaction is still undesignated, a warning message will be sent and after 40 days, the Program Administrator will contact the School or department head and the card may be cancelled. At the end of the fiscal year (June 30), the transactions must be reviewed and charged and settled by July 15.

**12.5** After all transactions have been reviewed, the School or department head must e-mail the Program Administrator with review dates.

**13.0 TRANSACTION REALLOCATION:**

**13.1** For any given charge, the Cardholder has the option to perform an on-line reallocation from the Default General Ledger Account to any other District General Ledger account that is under their management.

**14.0 PURCHASING CARD SECURITY:**

**14.1** It is the Cardholder's responsibility to safeguard the Purchasing Card and Purchasing Card account number at all times.

**14.2** Cardholders must keep their Purchasing Cards in a secure location at all times.

**14.3** Cardholders must not allow anyone else to use their Purchasing Cards and/or Purchasing Card account numbers.

**14.4** Cardholders must not write their Purchasing Card account numbers where others can easily see them.

**15.0 LOST, STOLEN OR DAMAGED PURCHASING CARD:**

**15.1** If a Purchasing Card is lost, stolen or damaged, the Cardholder must notify the Card Services Department immediately.

**15.2** Cardholders must notify the Program Administrator if their cards are lost, stolen or damaged within 24 hours after reporting the incident to Card Services.

**15.3** After the above notification procedures have been completed, a new Purchasing Card will be issued to the Cardholder by the Program Administrator.

**15.4** A Purchasing Card that is found after it has been reported lost or stolen must be destroyed by cutting it in half and returned to Card Services. The same procedure applies if a card is damaged. Both card halves must be forwarded to the Program Administrator.



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**16.0 CARDHOLDER ACCOUNT MAINTENANCE:** Whenever any of the information contained on a Cardholder's Enrollment Form changes, a Cardholder Account Form must be completed and signed by the Program Administrator. The completed Cardholder Account Form will then to be forwarded to the Program Administrator.

**17.0 CARDHOLDER TRANSFER WITHIN THE DISTRICT:** Cardholders who transfer to a new position within the same school or department and continues to require the use of a Purchasing Card as part of their new duties, should continue to use the same card. Cardholders who no longer require a Purchasing Card in their new position or transfer to a different school or department must cancel their card per the instructions in Section 19.0.

**18.0 CARDHOLDER SEPARATION FROM THE DISTRICT:** Prior to separation from the District, Cardholders must surrender their Purchasing Cards and corresponding support documentation to the Human Resources Department or the School or department head per the instructions in Section 19.0

**19.0 PURCHASING CARD CANCELLATION:** The Program Administrator must be notified immediately when a Purchasing Card is to be cancelled. The card must be destroyed by cutting it in half. Both card halves must be forwarded to the Program Administrator along with a complete Cardholder Account Maintenance Form.



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P-CARD USER MANUAL Appendix A

<input type="checkbox"/> New Account <input type="checkbox"/> Change (Only complete fields to be changed) <input type="checkbox"/> Delete / Close <input type="checkbox"/> Replacement Card				CARDHOLDER ACCOUNT #: 5405 0720 0000	
COMPANY INFORMATION					
CARDHOLDER INFORMATION					
Cardholder Name (24 Characters)					Position
Name Line 2 (24 Characters)					Social Security Number
Address Line 1 (35 Characters)	POWAY UNIFIED SCHOOL DISTRICT				Date of Birth
School/Dept Name (35 Characters)					Mother's Maiden Name
City/State/Zip					Work Phone
CARDHOLDER CONTROLS (Required unless specified) (Shaded Area for District Approval)					
Spending Limit (CSL) per Month			Single Purchase Limit		
Accounting Approval			Accounting Approval		
Authorizations Per Day (Default=12)			Transactions Per Cycle (30 days)		
Accounting Approval			Accounting Approval		
Dollars Per Day (Optional)			MCC Group (Merchant Category Code)		
Accounting Approval			Accounting Approval		
Prohibited Spending			Prohibited MCC Groups		
Accounting Approval	Financial Transactions, Independent Contractors, Hazardous Materials, All others per Administrative Procedure		Accounting Approval		
APPROVALS					
School/Dept Manager Name and Title:					
Signature:					Date:
Program Manager Name and Title:	Malliga Tholandi, Director of Accounting				
Signature:					Date:
CARD SERVICES USE ONLY					
Reporting Hierarchy Levels (Required Information)					
Reporting Hierarchy Level Numbers	Level 2 (i.e. Region)	Level 3 (i.e. Division)	Level 4 (i.e. Sub-Unit)	Level 5 (i.e. Fin Office)	

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Business Services Guide 2007-2008

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## Poway Unified School District

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## P-CARD USER MANUAL Appendix B

## CARDHOLDER AGREEMENT

I agree to use the purchasing card provided by the Poway Unified School District for actual and necessary expenses incurred by me and only by me as cardholder in accordance with Poway Unified School District purchasing card policy 6.18 and administrative procedure. I understand and acknowledge that use of the card may not be delegated to anyone other than myself as cardholder.

I have read the Poway Unified School District purchasing card policy 6.18 and administrative procedure and I agree to abide by them. I acknowledge that use of this card for any other purpose other than Poway Unified School District approved business expenses is prohibited and is grounds for corrective action, up to and including termination. In addition, I must reimburse Poway Unified School District for such charges.

I agree to surrender the purchasing card immediately upon retirement, termination, or upon request of an authorized representative of Poway Unified School District finance department.

I understand that use of the card may be revoked for the following reasons:

1. The card is used for personal or unauthorized purposes.
2. The card is used to purchase alcoholic beverages or any substance, material, or service which violates policy, law, or regulation pertaining to the District.
3. The cardholder allows the card to be used by another individual.
4. The cardholder splits a purchase to circumvent a purchase limit.
5. The cardholder uses another cardholder's card to circumvent a purchase limit assigned to either cardholder.
6. The cardholder accepts a personal gratuity from a vendor.
7. The cardholder uses the card to purchase gratuities or gifts.
8. The cardholder fails to provide the Program Administrator (accounting department) with information about any specific purchase.
9. The cardholder fails to provide documentation confirming that charges are approved within thirty days of a billing cycle.
10. The cardholder fails to provide accounting with expense transfer documentation that may be necessary to record a purchase properly.
11. The cardholder does not adhere to any of the procurement card policy or procedure.
12. The purchasing card is the property of the issuing credit union and it may at any time revoke card privileges under the provisions of its policy and procedure.

The cardholder is personally liable for inappropriate charges and shall be personally responsible for the settlement of any dispute on any purchase with a vendor. In addition, the cardholder is personally responsible for guaranteeing that all charges are for appropriate District expenses, that purchases are within budget limits, and that the purchase does not violate any other law, regulation, or policy of the Board of Education. Neither the Credit Union, Bank or the District assumes responsibility for non-District purchases. The cardholder shall be liable to the District, the Credit Union and the Bank for any non-District purchase.

If the card is lost or stolen, I will immediately notify the issuing credit union (Mission Federal Credit Union) Lost/Stolen Department during business hours (800) 500-MFCU (8328) or after business hours (800) 556-5628) and the program administrator (Accounting department 858.748.0010 x2362) by telephone. I will confirm the telephone notification by e-mail, mail or facsimile to the program administrator (finance department). I understand that failure to promptly notify the issuing bank of the theft, loss, or misplacement of the credit card could make me responsible for any fraudulent use of the card.

The use of this card is limited pursuant to the Cardholder Request form.

\_\_\_\_\_  
Signature of Cardholder Date

\_\_\_\_\_  
Typed/Printed Name of Cardholder Cardholder Social Security Number

\_\_\_\_\_  
Malliga Tholandt, Director of Accounting Date

Revised February 07, 2003

Poway Unified School District

Poway Unified School District

P-CARD USER MANUAL Appendix C

**CARDHOLDER DISPUTE FORM**

CARDHOLDER NAME: \_\_\_\_\_

CARD NUMBER: X X X X X X X X X X X X X X X X \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_

MERCHANT NAME: \_\_\_\_\_

DATE OF DISPUTED

TRANSACTION: \_\_\_\_\_

DISPUTE TYPE:

☐ Incorrect Charge☐ Credit Not Received☐ Duplicate Charge☐ Replacement Not Received☐ Erroneous Charge☐ Other

EXPLANATION OF DISPUTE: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MERCHANT'S RESPONSE: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CARDHOLDER

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

RETURN COMPLETED FORM ALONG WITH COPIES OF RELATED SUPPORT DOCUMENTATION TO:

ACCOUNTING DEPARTMENT



## ESCONDIDO UNION SCHOOL DISTRICT BANKCARD USE POLICY AND PROCEDURES

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## GENERAL INFORMATION

Escondido Union School District uses various methods to accomplish the purchase of goods and services. Bankcards may be used to augment purchasing procedures for Board members, cabinet, purchasing department, and other staff members as identified by the superintendent or designee.

The bankcard may be used during district travel for items that cannot be paid for by the regular purchase order procedures (billed by vendor or prepayment by district).

All bankcards, other than those assigned to purchasing department personnel, will be maintained by the superintendent's secretary and will be checked out by the secretary as needed to the cardholder.

## AREA OF RESPONSIBILITY

### US Bank

US Bank is the bankcard contractor who will issue the bankcards.

### Purchasing Department

The purchasing department will act as the program coordinator for the district. The program coordinator will be responsible for account set up, account maintenance and cancellation, and exception and reissue authorizations.

### Cardholder

The cardholder is responsible for ensuring the bankcard is used appropriately and all purchases of commodities are within the Escondido Union School District's purchasing procedures and policies.

### Approving Official

The approving official is responsible for reviewing the charges to ensure that the purchases are appropriate and not on the prohibited list and that the proper documentation is submitted.

The approving official for all Board member and cabinet positions is the superintendent. The approving official for superintendent and purchasing department is the assistant superintendent of business services.

### Accounting

The accounts payable department within the accounting department is responsible for preparing the payments to US Bank.

## PROCEDURES - CARDHOLDERS

### **Responsibility**

The cardholder is responsible for signing and returning the Cardholder Agreement to the Purchasing Department as soon possible and prior to using the bankcard.

The cardholder is responsible for calling the bank to activate their card once they receive it.

The cardholder is responsible for ensuring the bankcard is used appropriately and all purchases of commodities are in compliance with Escondido Union School District's purchasing procedures and policies.

The cardholder is responsible for the security of the bankcard.

The cardholder's monthly credit limit is \$2000, and these limits begin anew each billing period.

The cardholder shall be personally liable for inappropriate charges.

The cardholder is personally responsible for guaranteeing that all charges are for appropriate district expenses, that purchases are within budget limits, and that the purchase does not violate any other law, regulation, or policy of the Board of Education. Neither the bank nor the district assumes responsibility for non-district purchases. The cardholder shall under no circumstances use the District credit card for any inappropriate purchase.

### **Bankcard Use**

When the cardholder is not able to utilize regular district purchasing procedures due to time constraints or other reasons, and a need for use of the credit card is anticipated, the cardholder will check out the card from the superintendent's secretary. The cardholder may use the bankcard to secure reservations or purchase supplies in person or by telephone.

**Travel** - Acceptable charges are: meals (up to the suggested EUSD limit, which is currently \$38 per day, or \$20 for dinner, \$10 for lunch, and \$8 for breakfast), auto rental, taxi and/or shuttle. Other charges may be acceptable if the charges were not foreseeable, or able to be processed through regular purchasing procedure. Keep all receipts and submit them with the Bankcard Transaction Log to your approving official within five (5) business days after the transaction or return from district travel.

**Supplies** - "Supplies" are defined as any practical commodity used in the daily operation of business. Supplies should only be purchased if it is not possible to utilize "regular" purchasing procedures. Keep all receipts and submit them with the Bankcard Transaction Log to your approving official within five (5) business days after the transaction or return from district travel.

The cardholder will either go to the place of business and obtain the commodity, or call and place the order. In either case, the cardholder will require the vendors to itemize the receipt/invoice. The cardholder will be responsible for obtaining the itemized receipt or invoice from the vendor and for submitting the receipts with a completed bankcard transaction log within five business days of the transaction. An itemized receipt/invoice consists of the following information:

- Itemized description of commodities or services purchased
- Quantity purchased
- Price per item
- Amount of sales tax and total amount
- Shipping charges, if the district is liable for the cost
- Date purchased

**NO RECEIPTS COMMINGLED WITH PERSONAL EXPENSES WILL BE ACCEPTED.**

Every cardholder shall take reasonable precautions with the card. These include, but are not limited to, the following:

- Keep the card in view after you give it to a clerk. Get it back promptly after they have imprinted it.
- Avoid signing a blank receipt. Draw a line through blank spaces above the total when you sign.
- Destroy all carbons and voided (when a mistake was made) receipts. If the clerk has to keep a voided receipt for the store's accounting system, be sure to get a copy.
- Save all credit card receipts and corresponding itemized, dated, receipts. Turn in all receipts, along with other travel documents, to the accounting department within five (5) business days.
- Never lend your card to anyone.
- Never leave your card, receipts, or carbons where anyone can pick them up.
- Never give your card number over the phone unless you are dealing with a company you are sure is legitimate.
- Whenever possible, use those vendors identified by the purchasing department.

#### Bankcard Transaction Log

Upon completing the bankcard transaction, whether by telephone or in person, the cardholder shall immediately complete the Bankcard Transaction Log (attached) to record the following information:

- Date of purchase
- Description of purchase
- Vendor's name
- Dollar amount
- Appropriate account code for each transaction (may be completed by approving official)



### Return of Card/Transaction Submittals

The bankcard will be returned to the superintendent's secretary within five business days of the last transaction, or within five business days of return from district travel, if applicable, along with the completed Bankcard Transaction Log and itemized receipts for all transactions during the use period. A copy of the log should be retained by the cardholder for reconciliation with the cardholder's statement.

If the cardholder has lost any receipts/invoices, he/she should contact the vendor and request a duplicate.

The superintendent's secretary will see that the logs and receipts are submitted to the appropriate approving official for review and approval.

### Bankcard Statement

At the close of each billing cycle (monthly), each cardholder will receive an individual bankcard statement.

Cardholder reviews the statement for accuracy and reconciles the statement transactions with the copy/copies of the Bankcard Transaction Log(s) for the statement period.

If an item is billed incorrectly, the cardholder must provide a complete explanation on the monthly statement in addition to completing a Cardholder Statement of Questioned Item form (a copy of this form may be requested from the purchasing department).

Cardholder is responsible for contacting the bank contractor on questionable items or disputed items, which appear as a transaction on the bank statement within 30 days after the date of the invoice report.

- Cardholder will complete the Statement of Questioned Item form and mail as instructed on the bottom of the form. Cardholder will immediately send a copy of the Statement of Questioned Item form and statement to the district purchasing department.
- Cardholder will cross the transaction off the bank statement and attach a copy of the Questioned Item form to the bank statement.
- If items purchased with the credit card are found defective, the cardholder has the responsibility to return the item(s) to the merchant for replacement or to receive a credit on the purchase. If the merchant refused to replace the faulty item, then the purchase of this item will be considered to be in DISPUTE.
- A review of various dispute reasons can be located on the following pages.

Chargeback receipts shall be kept until the credit transaction shows up on the bank statement. Chargeback receipts then shall be attached to the bank statement.

## PROCEDURES - APPROVING OFFICIAL

### Reconcile Bank Statements

Approving Officials will be sent the following by the bank contractor.

- Business Account Summary (R090) This is a composite statement of all the individual cardholders the approving official is responsible for who have used their credit cards in the last billing period. For information only.
- I.M.P.A.C. Financial Summary (R063) This is the document which will recap all of the cardholders' charges and will be used as the "invoice" for billing purposes. This document must be attached to all of the Approving Official's cardholder statements and documentation.

Upon receipt of the Bankcard Transaction Log and receipts from the cardholders, the approving official will be responsible for the following:

- Reconciling the bank statements and documentation received from the cardholders with the Approving Official's I.M.P.A.C. Financial Summary
- Within five (5) working days after receipt of the cardholder's bank statement and documentation, the approving official will be responsible for the following:
  - (a) Comparing the Bankcard Transaction Log and receipts received from cardholders with the approving official's bank statement provided by the bank contractor.
  - (b) Reviewing charges to ensure that purchases are appropriated and not on the prohibited lists and that proper documentation is included.
  - (c) Forwarding the entire package to accounts payable while retaining a copy of all.

## PROCEDURES - SUPPORT STAFF

Accounts payable is responsible for preparing claims for payment.

The purchasing department is responsible for coordinating the bankcard program with the State Department of General Services and US Bank.

## PROHIBITED USES

Items Available in the Warehouse

All Equipment

Cash Advances

Splitting of Purchases to Circumvent any Limits

Services which are Repetitious in Nature

Carpeting

Alcoholic Beverages

Art Work

Consultants, Instructors and Speakers

Centralized Maintenance Agreements

Service Agreements

Personal Items

Personal Services

Rental Agreements (other than rental cars)

Lease/Purchase Agreements

Automotive Gasoline and Oil (unless gasoline is purchased for use in rental car for approved district travel)

Facility Improvements

Rental or lease of land or buildings

Purchase of Telephone Services (unless used for allowable calls billed to hotel room during approved district travel)

Gambling, Betting, Securities

Insurance

Political or Religious Organizations

Tax Payments

Court Costs, Fines, Bail, Bond Payments

Any Other Inappropriate Purchases or Payments

## REPLACING BANKCARDS

There will be instances where replacement of bankcards will be needed or a new card issued. It will be the Approving Official's responsibility to initiate this process. Follow the instructions below which applies:

### Replacing a Cardholder

When a cardholder leaves the program, a memorandum from the approving official will be submitted along with the cardholder's bankcard to the purchasing department. DO NOT FOLD, SPINDLE OR MUTILATE BANKCARDS.

### Replacement of Worn Out Card/Defective Cards

If a bankcard needs to be replaced because it is worn out or defective, a memorandum from the approving official requesting a bankcard replacement must be submitted along with the worn out bankcard to the purchasing department. DO NOT FOLD, SPINDLE OR MUTILATE BANKCARDS.

### Reporting Lost Bankcard

Cardholder will immediately contact the bank contractor, approving official and the purchasing department. Provide the complete cardholder name (as shown on the bankcard), card number, date reported to the police (if applicable, and date bank contractor was notified.

- Contact the Bank Contractor at (800) 227-6736

A memorandum from the approving official documenting the lost card will be submitted to the purchasing department.

The purchasing department will contact the bank contractor. A replacement card will be ordered.

## DISPUTE REASONS

The various chargeback reasons, which you will use most often, are described below. These reasons correlate with those found on the Cardholder's Statement of Questioned Item form. If you have any questions regarding the appropriate chargeback reason to use, please contact the I.M.P.A.C. Customer Service Staff at (800) 227-6736.

### Unauthorized Mail/Phone Order

This reason should be used for telephone or mail order transactions. If a sales slip is signed or imprinted with the cardholder's card, this reason does not apply.

### Duplicate Processing

This reason is used when a transaction has been multiple billed to an account. The amounts must be the same. The cardholder should provide the transaction details of the original billing, such as dollar amounts, transaction date, etc. A copy of the monthly bankcard statement on which the billings occur and copy of the original sales slip should be forwarded with the Cardholder's Statement of Questioned Item form to Accounting.

### Merchandise Not Received Due to Cancellation

In the event merchandise was canceled, full details should be provided such as why the transaction was canceled and date of cancellation.

### Merchandise Returned

In the event the merchandise was returned and a credit has not yet posted, the cardholder should describe the reason for returning the merchandise and the date the item was returned. A copy of the reference number on the monthly statement, postal, UPS or other official receipt proving the merchandise was returned should be forwarded with the Cardholder's Statement of Questioned Item form.

### Credit Not Received

This reason may be used when the cardholder has received a credit voucher or written refund acknowledgment from the vendor, but the credit has not posted to the cardholder's account within 30 days from the date on the voucher or acknowledgment. The cardholder acknowledges participation in the transaction but the goods were returned or the services canceled.

The cardholder should state the amount of credit they are expecting and provide a copy of the SOA (statement of account) and credit voucher or acknowledgment letter and forward these with the Cardholder's Statement of Questioned Item form.

### Alteration of Amount

This reason is used when the cardholder participated in the transaction and indicates that the amount was altered without permission. The cardholder must acknowledge the amount before alteration and a copy of the cardholder's copy of draft Must be provided to support this reason. The amount of the credit would be the difference between the amount before alteration and after alteration. The sales draft copy should be forwarded with a copy of the SOA and Cardholder's Statement of Questioned Item form.

### Inadequate Description or Unrecognized Charge

In the event the cardholder does not recognize the transaction description, they should request that US Bank supply a copy of the sales draft due to inadequate description or unrecognized charge. This should be requested only after reviewing their supporting documentation and insuring a merchant (vendor) description or location error has not occurred.

Upon receipt of the request for copy, US Bank will order a copy of the sales slip, which is generally received within 30 days.

In the event the vendor's processing bank cannot provide the copy within Visa allotted time frames, the cardholders account will be credited until such time as a valid draft is received. If US Bank provides a copy and the cardholder determines that a valid dispute exists, a new Cardholder's Statement of Questioned Item form should be sent to US Bank immediately. In either instance, the applicable SOA should be forward with the Cardholder's Statement of Questioned Item form.

### Not as Described

This reason is used when the cardholder claims goods or services were not received as described. The written document of what was to be delivered must be different than what was actually delivered. It is important that the sales draft be specific of what was purchased. For example, this reason could not be used when the cardholder was expecting a Sony tape recorder, model LXX210 and when he or she got back to the office they determined that a Sony model B640 was in the box and the sales draft simply said "tape recorder".

In a telephone order situation, the verbal description is considered the "document characterization." The cardholder must explain in his or her letter how the verbal description was different from what was actually received.

An attempt must be made to return the goods and must be stated in the cardholder complaint. If merchandise was returned, proof of such return should be forwarded with a copy of the SOA and Cardholder's Statement of Questioned Item form to US Bank.

### Cardholder Dispute

This reason should be considered only after reviewing other specific chargeback reasons. This reason requires that the cardholder attempt a resolution with the merchant. A complete description of the problem and the attempted resolution should be provided on the Cardholder's Statement of Questioned Item form. Additionally, a copy of the sales slip and a copy of the Cardholder's Statement of Account on which the transaction appears should be forwarded with the Cardholder's Statement of Questioned Item form.

### Other Dispute Reasons

In the event the reasons discussed here and identified on the Cardholder's Statement of Questioned Item form do not fit the cardholder's dispute circumstances, the cardholder should submit a Cardholder's Statement of Questioned Item form with the transaction detail, a copy of the applicable SOA and a detailed letter of the circumstances of the dispute. Reference should be made to any contact with the vendor, names, telephone numbers, etc. that would be helpful for research.

For all disputes submitted for consideration, a cardholder signature is required.





Board Policy 3314.3

Cardholder Agreement

Bankcard Transaction Log

(Note: All other forms may be requested through Purchasing)

**Business and Noninstructional Operations**

BP 3314.3

**CREDIT CARD ACCOUNTS AND USAGE**

The superintendent or designee is authorized to augment purchasing procedures by opening and maintaining credit card accounts for use by board, cabinet, purchasing department, and other staff members as identified by the superintendent or designee. The superintendent or designee will maintain appropriate fiscal controls for all accounts to ensure that public monies are not disbursed in amounts in excess of the budgeted appropriations by the Board of Education.

*Legal Reference:***EDUCATION CODE***39656 Delegation of powers to agents; approval or ratification of contracts by governing board**39657 Delegation of authority to purchase supplies and equipment; limitations on expenditures; review; personal liability*

April 8, 1999

ESCONDIDO UNION SCHOOL DISTRICT  
Escondido, California

**Business and Noninstructional Operations**

AR 3314.3

**CREDIT CARD USAGE**

District credit card accounts may be activated for board, cabinet, purchasing department, and other staff members identified by the superintendent or designee and be available for use during district travel for items that cannot be paid for by the regular purchase order procedures or in advance (i.e.: meals). A card held by the Manager/Purchasing and Distribution, or the District Buyer in the absence of the Manager, may be used when means currently available to make purchases or secure advance travel and conference reservations may not be adequate due to time constraints or other reasons. Routine air travel, hotel, car rental and purchases, where possible should be handled through existing purchase order procedures.

Maximum indebtedness at any time for each card will be \$2,000 for board members, and cabinet, and other staff members identified by the superintendent or designee. A \$20,000 limit shall be assigned to the card held by the Manager/Purchasing and Distribution.

All credit cards, other than those assigned to purchasing department personnel, will be maintained by the superintendent's secretary and will be checked out by the secretary as needed to the cardholder.

Every cardholder shall agree to all terms and conditions established by the district. The credit card may not be used for personal items or charges. The cardholder is personally responsible for guaranteeing that all charges are for appropriate district expenses, that purchases are within budget limits, and that the purchase does not violate any other law, regulation, or policy of the Board of Education. Neither the bank nor the district assumes responsibility for non-district purchases. The cardholder shall under no circumstances use the district credit card for any inappropriate purchase. The cardholder shall immediately notify the Assistant Superintendent, Business Services, and the authorizing bank, if the card is lost, stolen, or in the possession of an unauthorized person.

All district credit cardholders will sign a statement agreeing to district terms and conditions for use and will follow all procedures set forth by the business services division for reporting and accounting for all credit card transactions.

April 8, 1999

ESCONDIDO UNION SCHOOL DISTRICT  
Escondido, California

Escondido Union School District – Bankcard Use Policy and Procedures  
July, 2000

Page 16 of 18

\\DISTRICT\\VOL1\\PURCH\\purchmanager\\CREDITCARD\\CUSEMAN.DOC



### ESCONDIDO UNION SCHOOL DISTRICT CARDHOLDER AGREEMENT

I agree to use the bankcard provided by the Escondido Union School District only for actual and necessary business expenses incurred by me and only by me as cardholder in accordance with Escondido Union School District bankcard use policies and procedures. I understand and acknowledge that use of the card may not be delegated to anyone other than myself as cardholder.

I have read the Escondido Union School District bankcard usage policies and procedures and agree to abide by the procedures contained therein. I acknowledge that use of this card for any purpose other than Escondido Union School District approved business expenses is prohibited and is grounds for corrective action, up to and including termination. In addition, I must reimburse Escondido Union School District for such charges.

I agree to surrender the bankcard immediately upon retirement, termination, or upon request of an authorized representative of Escondido Union School District purchasing or business departments. I understand that use of the card after privileges are withdrawn is prohibited.

If the card is lost or stolen, I will immediately notify the issuing bank (US Bank – IMPACT Customer Service 800 227-6736) by telephone. I will confirm the telephone notification by mail or facsimile to the issuing bank (IMPACT Customer Service, P.O. Box 6346, Fargo, ND 58125-6436) with a copy to the Purchasing Department. I understand that failure to promptly notify the issuing bank of the theft, loss, or misplacement of the credit card could make me responsible for any fraudulent use of the card.

The use of this card is to be limited to \$2,000 or less per month.

\_\_\_\_\_  
Signature of Cardholder

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed /Printed Name of Cardholder

\_\_\_\_\_  
Cardholder Social Security Number

\_\_\_\_\_  
District's Approving Official

\_\_\_\_\_  
Date



# BANKCARD TRANSACTION LOG

**CARDHOLDER NAME:**

Page \_\_\_ of \_\_\_

TRANSACTIONS FOR THE PERIOD FROM \_\_\_\_\_ THROUGH \_\_\_\_\_

[illegible]

**Cardholder's Signature**

\_\_\_\_\_  
Approving Official's Signature

Date \_\_\_\_\_

Date \_\_\_\_\_

**Reminder:** Obtain itemized receipts for all transactions; attach original receipts to Bankcard Transaction Log; sign Bankcard Transaction Log and forward it and receipts to your Approving Official within five (5) business days of transaction. Keep a copy of all Bankcard Transaction Logs for reconciliation with statement. Reconcile copy of Transaction Log with Statement monthly upon receipt. Report any discrepancies immediately. Do not await receipt of bankcard statement to submit original Bankcard Transaction Log with original receipts!

**Escondido Union School District -- Bankcard Use Policy and Procedures**  
**July, 2000**

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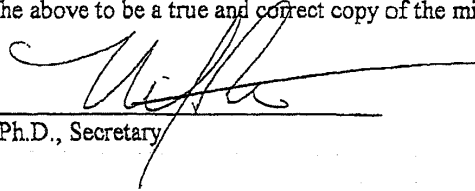
Nicolás M. Retana, Ph.D.

**EXCERPT FROM BOARD MINUTES**

The following is an excerpt from the minutes of a regular meeting of the Board of Education of the Escondido Union School District, held on April 8, 1999, with all members present, except Debbie Stauffer.

Adopt new BP 3314.3, District Credit Card Usage, with accompanying administrative regulation.

I hereby certify the above to be a true and correct copy of the minutes as indicated.

  
\_\_\_\_\_  
Nicolás Retana, Ph.D., Secretary

**OFFICE LOCATION**

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Escondido, CA 92027  
Tel (760) 432-2400  
Fax (760) 745-8896  
[www.escusd.k12.ca.us](http://www.escusd.k12.ca.us)

**Business and Noninstructional Operations**

BP 3314.3

**CREDIT CARD ACCOUNTS AND USAGE**

The superintendent or designee is authorized to augment purchasing procedures by opening and maintaining credit card accounts for use by board, cabinet, purchasing department, and other staff members as identified by the superintendent or designee. The superintendent or designee will maintain appropriate fiscal controls for all accounts to ensure that public monies are not disbursed in amounts in excess of the budgeted appropriations by the Board of Education.

*Legal Reference:***EDUCATION CODE***39656 Delegation of powers to agents; approval or ratification of contracts by governing board**39657 Delegation of authority to purchase supplies and equipment; limitations on expenditures; review; personal liability*

Policy  
Adopted: April 8, 1999

**ESCONDIDO UNION SCHOOL DISTRICT**  
**Escondido, California**

**Business and Noninstructional Operations**

AR 3314.3

**CREDIT CARD USAGE**

District credit card accounts may be activated for board, cabinet, purchasing department, and other staff members identified by the superintendent or designee and be available for use during district travel for items that cannot be paid for by the regular purchase order procedures or in advance (i.e.: meals). A card held by the Manager/Purchasing and Distribution, or the District Buyer in the absence of the Manager, may be used when means currently available to make purchases or secure advance travel and conference reservations may not be adequate due to time constraints or other reasons. Routine air travel, hotel, car rental and purchases, where possible should be handled through existing purchase order procedures.

Maximum indebtedness at any time for each card will be \$2,000 for board members, and cabinet, and other staff members identified by the superintendent or designee. A \$20,000 limit shall be assigned to the card held by the Manager/Purchasing and Distribution.

All credit cards, other than those assigned to purchasing department personnel, will be maintained by the superintendent's secretary and will be checked out by the secretary as needed to the cardholder.

Every cardholder shall agree to all terms and conditions established by the district. The credit card may not be used for personal items or charges. The cardholder is personally responsible for guaranteeing that all charges are for appropriate district expenses, that purchases are within budget limits, and that the purchase does not violate any other law, regulation, or policy of the Board of Education. Neither the bank nor the district assumes responsibility for non-district purchases. The cardholder shall under no circumstances use the district credit card for any inappropriate purchase. The cardholder shall immediately notify the Assistant Superintendent, Business Services, and the authorizing bank, if the card is lost, stolen, or in the possession of an unauthorized person.

All district credit cardholders will sign a statement agreeing to district terms and conditions for use and will follow all procedures set forth by the business services division for reporting and accounting for all credit card transactions.

April 8, 1999

**ESCONDIDO UNION SCHOOL DISTRICT**  
**Escondido, California**





**SERVICE AND  
LEADERSHIP**

**GROSSMONT UNION HIGH SCHOOL DISTRICT  
PURCHASING CARD PROGRAM**

**CARDHOLDER MANUAL  
OF  
POLICIES AND PROCEDURES**

Ken Leighton  
Fiscal Services Executive Director Fiscal Services

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**WELCOME**

The Grossmont Union High School District in association with Commerce Bank and VISA is delighted to offer employees a purchasing program that simplifies the way you may buy goods and services.

The Purchasing Card Program is a fast, flexible alternative for purchasing low dollar value items from suppliers that accept Visa Credit Cards.

## PROGRAM OVERVIEW

The Procurement Card Program (aka P-Card) has been established by the Grossmont Union High School District (District) to facilitate the purchase of certain small dollar value items by selected permanent employees (Cardholders) of the District.

A District VISA Card will be issued in the name of the Cardholder after the Cardholder has signed the required District agreement form and the issuance of an authorized P-Card to that employee. The P-Card is to be used exclusively by the Cardholder to make authorized purchases at commercial business establishments. The P-Card shall **never** be used to purchase personal items. The P-Card shall never be loaned to or used by anyone other than the Cardholder whose name appears on the face of the P-Card.

### Benefits

The purchasing card concept is designed to delegate the authority, responsibility and capability to make small dollar value purchases directly to the person to whom it most matters – YOU, the end user.

Cardholders can obtain goods in a quick and convenient way within the system's controls. Speed in obtaining supplies will promote better service. The amount of paperwork involved with processing purchases will be sharply reduced for the user's department and Fiscal Services.

### Cardholder Manual of Policies and Procedures

This Manual of Policies and Procedures has been developed to provide you, the Cardholder, with information regarding the benefits of P-Cards, the responsibilities that come with the issuance of a P-Card, and the rules that must be followed by the Cardholder. Each Cardholder is required to read and agree to follow the policies and procedures contained in this entire document. Once you have read and understand the Cardholder Manual of Policies and Procedures, sign the certification at the end of the document and return the certification to the P-Card Program Administrator in Fiscal Services. Keep the Manual for future reference.

## PURCHASING CARD POLICIES

### 1.0 PURPOSE:

The purpose of this Policies and Procedures Manual is to set forth the Policies and Procedures for the Grossmont Union High School District Purchasing Card Program.

### 2.0 INTRODUCTION:

The Grossmont Union High School District Purchasing Card Program has been established to provide a convenient means with which to make small dollar value purchases and reduce the costs associated with initiating and paying for those purchases. Fiscal Services is responsible for managing the Program and each department is responsible for managing its Cardholder accounts. Two areas of responsibility have been defined within each department to assist in this management effort. They are the Cardholder and the Department Head. It is important to understand that these areas of responsibility do not necessarily equate to two separate individuals within the department. It is permissible for one individual to be assigned one or more of these responsibilities as defined in these Policies and Procedures. The ultimate decision as to how each of these responsibilities is assigned will be made within each department.

### 3.0 DEFINITIONS:

- 3.1 Purchasing Card (P-Card):** A VISA Card issued to an employee of the District for the purpose of making authorized purchases on the District's behalf. The District will issue payment for authorized charges made with the Purchasing Card.
- 3.2 Cardholder:** A Grossmont Union High School District employee whose name appears on the Purchasing Card and who is accountable for all charges made with that card.
- 3.3 Department Head:** Grossmont Union High School District employee(s) within each department responsible for verifying that all charges against the Cardholder's account are authorized and approved, and that the documentation for each Cardholder is forwarded to Fiscal Services on a monthly basis. Department Heads have the ability to allocate individual charges to multiple account numbers. A Department Head may oversee more than one Cardholder account depending on how the department elects to manage its accounts. A department may have more than one Department Head.
- 3.4 Program Administrator:** Fiscal Services is responsible for administering the Purchasing Card Program and is the main contact for the Grossmont Union High School District.
- 3.5 Transaction / Spending Limit:** A dollar limitation of purchasing authority assigned to the Cardholder for each total charge made with the Purchasing Card. This amount must not exceed the predetermined spending limit. Limits are established on a per Cardholder basis. A single transaction/charge may include multiple items but cannot exceed the predetermined spending limit.
- 3.6 Monthly Spending Limit:** A dollar limitation of purchasing authority assigned to the Cardholder for the total of all charges made during each monthly billing cycle.

- 3.7 Monthly Statement:** A listing of all transactions charged to the Cardholder's card account up to the end of the monthly billing cycle. Monthly Statements are available online through ControlPay at <https://www.controlpayadvanced.com>.
- 3.8 Default General Ledger Account:** The Grossmont Union High School District account code assigned to each cardholder.
- 3.9 Support Documentation:** A merchant produced or non-Grossmont Union High School District document that records the relevant details for each item purchased including quantities, amounts, a description of what was purchased, the total charge amount and the merchant's name and address (e.g. sales receipt, original invoice, packing slip, credit receipt, etc.).

#### 4.0 RECEIVING THE PURCHASING CARD:

- 4.1** A complete Cardholder Application Form (Form PC-01) must be submitted for each prospective Cardholder. The Department Head must select the purchasing controls, sign the form and then forward it to the Program Administrator in Fiscal Services.
- 4.2** All prospective Cardholders must read and understand the Cardholder Policies and Procedures, agree to follow the Cardholder Policies and Procedures, attend a training session and sign a Cardholder Agreement prior to receiving a Purchasing Card.
- 4.3** In order to provide a measure of security, the purchasing card requires activation. When the card is received; a sticker prompts the Cardholder to activate the purchasing card. Once activated, the purchasing card is ready for use. Activation is required only once for each purchasing card issued.

#### 5.0 AUTHORIZED CARD USE:

- 5.1** Cardholders are authorized to use the Purchasing Card to purchase merchandise required as a function of their duties at the Grossmont Union High School District.

- 5.2 Unauthorized** purchases using the Purchasing Card include the following:

Alcohol	Furniture & Equipment	Personal Items
Capital Outlay	Insurance	Postage Services
Cash Advances	Maintenance Contracts	Stamps
Consultants/Performance Agreements	Medications	Subscriptions
Cell Phones	Memberships	
Contracted services	Pagers	

**In addition, the following are unauthorized:**

- Items for personal use
- Items prohibited by law or District Policy
- Non-Grossmont Union High School District Purposes

- 5.3** Only the Cardholder whose name is embossed on the Purchasing Card is authorized to use the card. The Cardholder is responsible for ensuring that all charges made with the card are in compliance with these Policies and Procedures as well as all Grossmont Union High School District Policies and Procedures.
- 5.4** The total value of any one charge made with the Purchasing Card may not exceed the single transaction limit stipulated on the Cardholder's Application Form.

## 6.0 UNAUTHORIZED AND/OR INAPPROPRIATE CARD USE:

- 6.1 **The Purchasing Card must never be used to purchase items for personal use or for non-Grossmont Union High School District purposes even if the Cardholder intends to reimburse the Grossmont Union High School District.**
- 6.2 A Cardholder who makes an unauthorized purchase with the Purchasing Card, as defined in **Section 5.0 and 6.0** or uses the Purchasing Card in an inappropriate manner will be subject to disciplinary action including possible card cancellation.
- 6.3 Failure to comply with the requirements of this Cardholder Manual and Grossmont Union High School District policies and procedures may result in immediate revocation of procurement card privileges. This includes, but is not limited to, any of the following:
  - ◆ Splitting of charges to avoid the single purchase dollar limit.
  - ◆ Loaning the card to another employee or person.
  - ◆ Using the P-Card for personal use.
  - ◆ Allowing purchases to be signed for by anyone other than the cardholder.
  - ◆ Failure to submit receipts for charges.
  - ◆ Submitting the monthly cardholder statement to Fiscal Services more than 7 days after the monthly statement date.
  - ◆ Fails to attach receipts that match the item descriptions or dollar amounts listed on the monthly statement of account.

## 7.0 MAKING A PURCHASE WITH THE PURCHASING CARD:

- 7.1 Confirm that the selected merchant accepts VISA Card. If not, choose another merchant. In either case, inform the Program Administrator, via the Department Head, about the fact that the original merchant did not accept VISA Card.
- 7.2 When making purchases, the Cardholder must sign the charge receipt and retain the customer copy. The Cardholder should verify that either the charge receipt or sales receipt complies with the requirements for support documentation set forth in **Section 3.0 (paragraph 3.9)**.

## 8.0 MERCHANDISE RETURNS AND EXCHANGES:

- 8.1 The Cardholder is responsible for contacting the merchant when merchandise purchased with the Purchasing Card is not acceptable (incorrect, damaged, defective, etc.) and arranging a return for credit or an exchange.
- 8.2 If merchandise is returned for credit, the Cardholder is responsible for obtaining a credit receipt from the merchant and retaining that receipt with the support documentation for that purchase. ***Receiving cash or checks to resolve a credit is prohibited!***
- 8.3 If merchandise is to be exchanged, the Cardholder is responsible for returning the merchandise to the merchant and obtaining a replacement as soon as possible. Documentation showing the proper resolution of the exchange is to be retained with the support documentation for that purchase.



## 9.0 RECORD RETENTION:

- 9.1 Cardholder Responsibility:** The Cardholder is responsible for obtaining purchase documentation from the merchant (sales receipt, packing slip, etc.) to support all purchases made with the Purchasing Card and verifying that the documentation complies with the requirements for support documentation set forth in **Section 3.0 (paragraph 3.9)**. If the receipts are unavailable, the cardholder must submit a written explanation describing the transaction in detail (See 9.2).
- 9.2 Lost Receipt:** If the cash register receipt or the signed credit form is lost, the cardholder must first attempt to contact the merchant and obtain a copy of the documentation. If that is not possible, the cardholder must submit the Missing Receipt Form (Appendix E) detailing the entire transaction. The cardholder's supervisor must review and sign the written explanation. Please note that **Section 6.0 (paragraph 6.3)** lists failure to turn in receipts as a reason for possible revocation of the Purchasing Card.

## 10.0 CARDHOLDER VERIFICATION OF CHARGES:

- 10.1** Cardholders are accountable for all charges made with their Purchasing Cards and are responsible for checking all transactions against the corresponding support documentation to verify their accuracy and propriety. Verification should be done regularly using the Commerce Bank's ControlPay Advance online transaction review system and the Cardholder's printed Monthly Statement.
- 10.2** All transactions processed during a monthly cycle will be reflected on a monthly statement of account. Each cardholder will receive a copy of their statement of account at the end of the monthly cycle. During the cycle, cardholders are responsible for retaining the original copy of all transaction receipts.
- 10.3** Cardholders are to review their transactions on Commerce Bank's ControlPay Advanced for accuracy, including transactions, amounts, and default account number codes. If an account number for a purchase is incorrect, the cardholder use an appropriate account number as listed in the drop down box next to the transaction. Once each transaction is properly allocated, the cardholder will check the "Reviewed" box and possibly the "Approved" box (if the Monthly Statement is to be printed out for approval by the Department Head). This will "lock" the information into the system.
- 10.4** Cardholders will create a Transaction Envelope for all approved transactions that will be included in the Monthly Statement. This Monthly Statement will be printed out and the cardholder will attach Original Receipts along with any required written explanations. Keep a record (duplicate copies) of all receipts, written explanations, statements and forms submitted. Each cardholder is responsible for keeping their own documentation and processing the statements for payment. In the absence of the cardholder, the supervisor is responsible for processing the payment. Each cardholder is responsible for informing the supervisor of the location where the receipts and documentation are kept.
- 10.5** If a particular charge or credit does not appear on-line or on the Monthly Statement, it should be checked against future on-line transaction information and/or the next Monthly Statement. If the charge or credit does not appear within 60 days after the original charge was made, the Cardholder must notify the Program Administrator.

- 10.6** If the Cardholder disputes a charge, the nature of the dispute and the final resolution must be documented. This documentation must be retained with the Monthly Statement on which the disputed charge appears. (See **Section 11.0** )
- 10.7** The monthly statement should be given to the Department Head for approval and signature:

#### **11.0 CARDHOLDER CHARGE DISPUTE RESOLUTION:**

In the case of a disputed charge, the Cardholder must try to resolve the dispute directly with the merchant. If the dispute cannot be resolved, the Cardholder must complete a **Cardholder Dispute Form** (Appendix F) within 30 days of the date noted on the Statement that lists the disputed charge and forward the completed form to the Program Administrator.

#### **12.0 DEPARTMENT HEAD VERIFICATION OF CARDHOLDER CHARGES:**

- 12.1** The Department Head is responsible for reviewing each transaction on a cardholders' monthly statement.
- 12.2** For a charge to be approved there must be adequate support documentation available so that the Department Head can ascertain that the purchase is valid and the Cardholder is accountable for that purchase.
- 12.3** A discrepancy associated with a charge may occur if any one or more of the following situations exist:
- ◆ Insufficient transaction information.
  - ◆ One or more of the criteria for authorized card use set forth in **Section 5.0** have not been met.
  - ◆ The Cardholder disputes the charge. (See **Section 11.0** )
- 12.4** All discrepancies must be investigated and resolved. The disposition of each discrepancy must be documented and retained with the Support Documentation and/or Monthly Statement. Cardholders are accountable for all discrepancies. The Program Administrator must be notified, in writing, of all discrepancies.
- 12.5** The monthly statement of account and attached receipts should then be forwarded to the Program Administrator in Fiscal Services within 7 days from the date on the statement.

#### **13.0 TRANSACTION REALLOCATION:**

For any given charge, the Cardholder or the Department Head have the option of performing an on-line reallocation from the default account number to any other Grossmont Union High School District account number that they are authorized to access.

#### **14.0 PURCHASING CARD SECURITY:**

- 14.1** It is the Cardholder's responsibility to safeguard the Purchasing Card and Purchasing Card account number at all times.
- 14.2** Cardholders must keep their Purchasing Cards in a secure location at all times.

- 14.3 Cardholders must not allow anyone else to use their Purchasing Cards and/or Purchasing Card account numbers.
- 14.4 Cardholders must not write their Purchasing Card account numbers where others can easily see them.

**15.0 LOST, STOLEN OR DAMAGED PURCHASING CARD:**

- 15.1 If a Purchasing Card is lost, stolen or damaged, the Cardholder must report this immediately to the card issuing bank.
- 15.2 Cardholders must notify the Program Administrator if their cards are lost, stolen or damaged within 24 hours after reporting the incident to Card Services.
- 15.3 After the above notification procedures have been completed, a new Purchasing Card may be issued to the Cardholder by the Program Administrator.
- 15.4 If a Purchasing Card is found after it has been reported lost or stolen it must be destroyed by cutting it in half and returning both halves to the Program Administrator. The same procedure applies if a card is damaged. Both card halves must be forwarded to the Program Administrator.

**16.0 CARDHOLDER ACCOUNT MAINTENANCE:**

Whenever any of the information contained on a Cardholder's Application Form changes, a new Cardholder Application Form must be completed by the Cardholder within 30 days of the change and signed by the Department Head. The completed Change/Cancellation Form must then be forwarded to the Program Administrator.

**17.0 CARDHOLDER TRANSFER WITHIN THE Grossmont Union High School District:**

Cardholders who transfer to a new position within the same department and require the use of a Purchasing Card as part of their new duties should continue to use the same card. The Cardholder should notify the Program Administrator of a new Default Account Number they would like assigned to their card. Cardholders who no longer require a Purchasing Card in their new position or transfer to a different department must return their Purchasing Card to the Program Administrator along with a completed Change/Cancellation Form (Appendix B).

**18.0 CARDHOLDER SEPARATION FROM THE Grossmont Union High School District:**

Prior to separation from the Grossmont Union High School District for any reason, Cardholders must surrender their Purchasing Card and corresponding support documentation to the Program Administrator per the instructions in **Section 19.0**.

**19.0 PURCHASING CARD CANCELLATION:**

The Program Administrator must be notified immediately when a Purchasing Card is to be canceled. The card must be destroyed by cutting it in half. Both card halves must be forwarded to the Program Administrator along with a complete Change/Cancellation Form (Appendix B).

## PURCHASING CARD PROCEDURES

### 1.0 How is a purchasing card obtained?

Call or e-mail the Purchasing Card Program Administrator and request a Cardholder Application Form (see Appendix A) and a Cardholder Agreement Form (see Appendix C). Complete the forms and submit them to your department head or supervisor for approval.

The completed Cardholder Agreement and Application Forms shall be forwarded to the Purchasing Card Program Administrator for processing. Once the Purchasing Card Program Administrator receives the new card, usually within 5 business days, you will be contacted and scheduled for training. Upon completion of the training you will be asked to sign the Purchasing Cardholder Policies and Procedures Acknowledgement Form and the card will be issued.

The Purchasing Card Program Administrators are:

<b>Primary Contact:</b>	<b>Secondary Contact:</b>

### 2.0 Once a cardholder receives their card is it immediately ready for use?

No. In order to provide a measure of security, the purchasing card requires activation. When the card is received, a sticker prompts the cardholder to activate the purchasing card. Once activated, the purchasing card is ready for use. Activation is required only once for each purchasing card received.

### 3.0 How are the dollar amounts and activity controls set?

When applying for a card, the department head or supervisor determines control limits for the following:

- Dollar limit per transaction
- Dollar limit per month (cycle\*)
- Number of times of use per day
- Number of times of use per month (cycle\*)
- Authorized Merchant Category Code
- Prohibited merchant types

\*This refers to the monthly billing cycle as determined by Commerce Bank. Commerce Bank's cycle runs from the 1<sup>st</sup> of each month to the last day of each month.

### 4.0 How can control limits be changed?

A Change/Cancellation Form (Appendix B) must be completed indicating the changes desired and submitted to the Purchasing Card Program Administrator for processing. All changes will take effect immediately upon completion of data entry by the Program Administrator.

**5.0 For whom can a cardholder make purchases?**

The Cardholder may make Grossmont Union High School District business-related purchases.

**6.0 What can be purchased with the purchasing card?**

The purchasing card may be used to purchase only items or services that are for Grossmont Union High School District's use. In addition, certain classifications of products or services designated by Merchant Category Codes (MCC)\* may be excluded when the card is originally set up.

\*Merchant Category Codes (MCC) are groups of standard industry classification codes, or basically the primary type of business conducted by a supplier.

**7.0 Can I make purchases over the phone, fax or Internet?**

Yes, unless otherwise specifically noted in your Purchasing Card Agreement. These purchases do require prior approval by the Program Administrator or the Director of Purchasing to ensure proper purchasing procedures are not being circumvented.

**8.0 Is personal use of the procurement card allowable?**

No. Use of the purchasing card for personal purchases is strictly prohibited. If the purchasing card is inadvertently used for a personal purchase, call the Purchasing Card Program Administrator immediately.

**9.0 Can the card be shared?**

No. Use by anyone other than the Cardholder whose name is embossed on the card is strictly prohibited. The only person entitled to use a purchasing card is the person whose name appears on the face of the card. Only the cardholder may sign for Card transactions.

**10.0 Which suppliers may I use?**

The purchasing card is a VISA Card product. Any supplier or merchant who accepts VISA can accept the purchasing card. The Cardholder may only use those suppliers or merchants that have been authorized by the Program Administrator. If the Cardholder attempts to use the Purchasing Card at a supplier or merchant that is not authorized, the transaction will be declined.

**11.0 What if the supplier does not accept purchasing cards?**

VISA Cards are accepted by more than 8 million suppliers worldwide, so acceptance shouldn't be a concern. However, if a supplier currently does not accept VISA Card, notify the Program Administrator who will work with the supplier to assist them in enrolling in the VISA Card acceptance program.

**12.0 What are the guidelines for sales tax?**

Sales tax applies in most cases. Make a notation for out-of-state vendors that do not charge sales tax. These sales need to be reported by Fiscal Services to the Franchise Tax Board.

**13.0 What are the delivery instructions?**

Make sure complete shipping instructions are given when placing orders. Confirm with the merchant the correct department name and delivery location and make sure this information appears on all shipping documents. Deliveries shall be made to the cardholder's place of employment or the district's warehouse. Deliveries shall **not** be made to the cardholder's place of residence.

**14.0 What is the required receipt documentation?**

A signed credit card form and cash register receipt or invoice are required as the supporting documentation for a purchase. Both must be submitted with the monthly statement.

- If a merchant provides only a credit card form, the cardholder must attach a written explanation describing each item or service purchased.
- If the cash register receipt or invoice provides no detail or description of the purchase, the cardholder must contact the merchant to obtain a copy.

**15.0 What if a receipt is not available?**

If receipts are unavailable, the cardholder must submit a Missing Receipt Form (Appendix E) with a written explanation describing the transaction in detail. The cardholder's supervisor must review and sign the written explanation.

**16.0 What if a receipt is lost?**

If the cash register receipt or the signed credit form is lost, the cardholder must first attempt to contact the merchant and obtain a copy of the documentation. If that is not possible, the cardholder must submit a Missing Receipt Form (Appendix E) describing the transaction in detail. The cardholder's supervisor must review and sign the written explanation.

**17.0 What if the card is lost or stolen?**

If the purchasing card is lost or stolen, immediately call VISA Bank Card Services using the number on the back of the card (1-800-VISA-911 or 1-800-847-2911). Keep a written record of this call, which includes the date, time and name of the person contacted at VISA. Notify your Department Head and call the Program Administrator as soon as possible. NOTE: Always keep the purchasing card in a secure location. It should only be accessible to the cardholder.

**18.0 What if the cardholder leaves the Grossmont Union High School District or changes to another department?**

If the cardholder leaves district they must surrender the card, complete a Change/Cancellation Form to close the account, submit it to the Department Head for signature and forward it to the Purchasing Card Program Administrator for processing. If

a cardholder transfers to another site or departments, and the Department Head approves them having a P-Card, the Cardholder should keep their existing card and have their new Department Head complete and sign the Change/Cancellation Form (Appendix B) and send it to the Program Administrator.

#### 19.0 How are statements reconciled?

All transactions processed during a monthly cycle will be reflected on a monthly statement. Each cardholder will print their statement the end of the monthly cycle. During the cycle, cardholders are responsible for retaining the original copy of all transaction receipts.

Cardholders are to review their transactions using the ControlPay website for accuracy, including transactions, amounts, and account numbers. If an account number for a purchase is incorrect, the cardholder is to reallocate the default account number and replace it with the desired account number. Once each transaction is properly allocated, the cardholder will check the "Reviewed" box, which will "lock" the information into the system.

Original receipts must be stapled to the monthly statement along with any required written explanations.

The monthly statement of account and attached receipts should then be forwarded to the Department Head for approval. Once the Department Head has approved the transactions, the Department Head will forward the statement and receipts to Fiscal Services within 7 days from the date on the statement.

Keep a record (duplicate copies) of all receipts, written explanations, statements and forms submitted. Each cardholder is responsible for keeping their own documentation and processing the statements for payment. In the absence of the cardholder, the supervisor is responsible for processing the payment. Each cardholder is responsible for informing the supervisor of the location where the receipts and documentation are kept.

Fiscal Services will expense charges to the cardholder's department by using the account information listed on the monthly cardholder's statement of account.

Fiscal Services will review each monthly statement and, if an exception is identified, they will return a Notification of Exceptions report to the supervisor and cardholder for correction. The cardholder's Department Head and the Purchasing Card Program Administrator will also be notified of the exceptions. Violations noted may lead to card revocation.

#### 20.0 What if there is an incorrect billing?

If you have a problem with billing, the Cardholder must try to reach a resolution with the providing merchant. The merchant should issue credit for a billing correction. This credit may not appear until the next monthly statement. ***Do not remove or cross out*** the item on the current monthly statement or delay processing because of credits or disputes.

If the dispute cannot be resolved, the Cardholder must complete a **Cardholder Dispute Form** (Appendix F) within 30 days of the date noted on the Statement that lists the disputed charge and forward the completed form to the Program Administrator.

**21.0 How are purchases returned?**

If a purchased item needs to be returned, follow the merchant's return procedures.

**22.0 Will using a purchasing card affect personal credit?**

Use of the purchasing card will not have any impact on the cardholder's personal credit.

**23.0 What if I do not use the card?**

Card activity is reviewed periodically and a determination can be made by the Department Head and Purchasing Card Administrator as to whether or not a card should be canceled because of lack of use.

**24.0 What transactions are unauthorized?**

Cards may not be used for excluded categories of goods and services as designated by the Program Administrator with the Department Head and Grossmont Union High School District's policies and procedures (see **Section 5.0** of Purchasing Card Policies). Use of the purchasing card is prohibited for cash advances, money orders, traveler's checks and cashier checks. Purchases split to remain under the single transaction dollar amount are also unauthorized. The Program Administrator reviews detailed transaction reports of exceptions by cardholders. These reports list purchases that may have been split to avoid dollar control limits.

**25.0 What would cause a card to be revoked?**

Failure to comply with the requirements of this User Manual may result in immediate revocation of procurement card privileges. These include, but are not limited to, any of the following:

- Splitting of charges to avoid the single purchase dollar limit.
- Loaning the card to another employee for use.
- Allowing purchases to be signed for by anyone other than the cardholder except for delivery receipts by UPS, USPS, Federal Express, etc.
- Failure to submit receipts for charges.
- A personal purchase.
- The monthly cardholder statement is submitted to Fiscal Services more than 7 days after the monthly statement date.
- The attached receipts do not match the item descriptions or dollar amounts listed on the monthly statement of account.

**26.0 What are the most common exceptions experienced by a cardholder?**

The most common exceptions to established policy requirements for supporting documentation are:

- |   |                    |
|---|--------------------|
| ▪ Monthly statement not submitted to Accounting within 7 days | (Procedure No. 19) |
| ▪ Missing description of goods or services purchased          | (Procedure No. 14) |
| ▪ Incomplete documentation from a restaurant                  | (Procedure No. 15) |
| ▪ Missing receipt or suitable replacement for the receipt     | (Procedure No. 16) |
| ▪ Card used by another employee                               | (Procedure No. 09) |
| ▪ Splitting of charges to avoid single purchase dollar limit  | (Procedure No. 25) |



### 27.0 What actions will be taken if a card is subject to revocation?

If reported violations warrant revocation of card privileges, the Procurement Card Program Administrator will contact the cardholder's Department Head. Information will be provided regarding exceptions to the established policy or requirements that justify the cancellation of the card. A written determination from the Department Head will be obtained and reviewed by the Program Administrator. If a determination is made that a card should be cancelled, the Cardholder will be notified that the card has been cancelled. The Cardholder must destroy the card by cutting it in half and return both halves to the Program Administrator.

### 28.0 What are my Supervisor's Responsibilities?

The successful use of a procurement card depends on both cardholders and Department Heads. The following are the Department Head's responsibility:

- A. Review the monthly cardholder's *Summary of Corporate Purchasing* (monthly statement), submitted by the cardholder with receipts, at the end of the payment cycle and in the online transaction review system to ensure that the proper account numbers are charged. Review procedures include the following:
  - Ensure that all purchases are an appropriate use of Grossmont Union High School District funds.
  - Ensure that the purchasing card is not used to make personal purchases.
  - Ensure that only the cardholder uses the purchasing card.
  - Contact the cardholder to address and correct any questionable purchases/procedures.
  - Contact the Purchasing Card Program Administrator immediately if a noted violation requires revocation of the card.
- B. Approve the statement only after all the above actions have been taken. By signing and approving the monthly statement, the supervisor certifies the statement's compliance to the established regulations and acceptance of administrative responsibility for the financial activity.
- C. Once approved, ensure the cardholder's receipts are promptly forwarded to the Program Administrator. The receipts must be received by Fiscal Services within seven (7) days from the date of the statement.
- D. If the cardholder is absent, process their monthly statement for them, including the collection of all receipts, and forward to Fiscal Services. Indicate on the statement that the cardholder was not available for review.

### 29.0 Who should I call if I have questions or experience problems?

The Purchasing Card Program Administrator

**ACKNOWLEDGMENT FORM**

---

The P-Card manual describes important information about Grossmont Union High School District's ("District") purchasing card program controls and processes required to manage the day-to-day operations of this purchasing option. The manual is intended to inform cardholders handling P-Card transactions about the formal policy guidelines, processes and responsibilities of the various participants. These policies ensure that P-card purchasing is consistent with the District's fiscal and internal control goals.

Since the information, policies and procedures described in the manual are subject to change, I acknowledge that revisions to the P-Card manual may occur. All policy changes require the appropriate authorized approvals before they are implemented. I understand that revised information may supersede, modify, or eliminate existing policies.

I acknowledge that I have received the P-Card manual, and I understand that it is my responsibility to read and comply with the policies and the Code of Conduct contained in the manual and any revisions and updates made to it.

---

CARDHOLDER'S SIGNATURE

---

DATE

---

CARDHOLDER'S NAME (TYPED OR PRINTED)

**APPENDIX****Purchasing Card Forms**

Cardholder Application Form -- Form PC-01	A
Cardholder Change Form -- Form PC-02	B
Purchasing Card Cardholder Agreement -- Form PC-03	C
Monthly Purchasing Card Log -- Form PC-04	D
Purchasing Card Missing Receipt Form -- Form PC-05	E
Cardholder Dispute Form -- Form PC-06	F



## Grossmont Union High School District Procurement Card Cardholder Application Form

Procurement Card applicants need to acquire authorization from their Department Supervisor to apply for the Procurement Card.

### APPLICANT INFORMATION: (Please print clearly)

Applicant's Name \_\_\_\_\_ DOB \_\_\_\_\_

SDCOE ID No. \_\_\_\_\_ Location \_\_\_\_\_ Phone Number \_\_\_\_\_

Location Address \_\_\_\_\_

Applicant's E-Mail address \_\_\_\_\_

Applicant's Signature \_\_\_\_\_ Date \_\_\_\_\_

Approver Name \_\_\_\_\_

Approver E-Mail address \_\_\_\_\_

### AUTHORIZING INFORMATION

As the above named Applicant's Department Supervisor, I hereby grant the above mentioned Applicant authorization to apply for, and use, the Grossmont Union High School District's Procurement Card. I also agree to review and sign the monthly MasterCard Purchase Card statements issued to the above applicant. If the applicant's employment with the District is terminated, I agree to notify the Program Card Administrator.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Default Budget Account Code \_\_\_\_\_

Transaction Limit: \_\_\_\_\_ Daily Limit: \_\_\_\_\_ Monthly Limit: \_\_\_\_\_

Do Not Write Below This Line

To be completed by Purchasing Card Administrator

\_\_\_\_\_ Information Verified Date \_\_\_\_\_ Initials \_\_\_\_\_

\_\_\_\_\_ Entered in Commerce Bank Date \_\_\_\_\_ Initials \_\_\_\_\_

Form PC-01



## Grossmont Union High School District Purchasing Card Change/Cancellation Form

Appendix B

**Cardholder's Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Department:** \_\_\_\_\_ **Last 4 Digits of Card Number:** \_\_\_\_\_

**Card to be:** Changed ☐ Canceled ☐ Reason: \_\_\_\_\_

### NAME CHANGE

**New Name:** \_\_\_\_\_

### Department Change

**New Department** \_\_\_\_\_ **New Budget String** \_\_\_\_\_

### ADDRESS CHANGE

**Old:**

**New:**

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City, State, Zip)

\_\_\_\_\_  
(City, State, Zip)

\_\_\_\_\_  
(Business Phone)

\_\_\_\_\_  
(Business Phone)

### CARD CONTROLS

**Card Usage Categories:** Add ☐ Remove ☐

**Vendor or Restriction** \_\_\_\_\_ **Reason** \_\_\_\_\_

**Credit Limits:** Increase ☐ Decrease ☐ Reason \_\_\_\_\_

**Single Purchase \$** \_\_\_\_\_ (Card Specific- not to exceed \$500.00)

**Billing Cycle \$** \_\_\_\_\_ (Card Specific. Departments not to exceed \$5000.00)

If Card Limit changes are temporary, indicate date original defaults should resume: \_\_\_\_\_

\_\_\_\_\_  
(Cardholder Signature & Date)

\_\_\_\_\_  
(Approving Official Signature & Date)

Form PC-02



## Grossmont Union High School District Purchasing Card Cardholder Agreement

Appendix C

I, \_\_\_\_\_, being a Permanent, full-time Grossmont Union High School District ("District") employee, hereby acknowledge being issued a Purchasing Card. As the holder of the card, I agree to comply with the following terms and conditions regarding my use of the card.

1. I understand that I am being entrusted with a valuable tool - a Purchasing card - and will be making financial commitments on behalf of the District.
2. I understand that the District is liable to Commerce Bank for all charges made on the card.
3. I agree to use this Card for approved purchases only and agree **NOT TO CHARGE PERSONAL PURCHASES**. I understand there will be audits on the use of this Card and any discrepancies will be addressed. A list of unauthorized uses is in Purchasing Card Program Cardholder Manual of Policies and Procedures as item 5.2 on page 7.
4. I will follow the established procedures for the use of the Card. Failure to do so shall result in either revocation of my use of privileges or other disciplinary actions, including discipline in accordance with Departmental and District Personnel Policy. **Turning in the required receipts/paperwork on completion of each transaction is a mandatory step in the process so that the accounts may be paid on time.**
5. I have read the updated Purchasing Card Program Cardholder Manual of Policies and Procedures and understand the requirements for the Card's use. **The card does not supersede any District Purchasing and Contract rules, which are already in place. Items on District Contracts must still be purchased from the contract.**
6. I agree to return the Card immediately upon request or upon termination of employment (including retirement).
7. If the Card is lost or stolen; I agree to notify Commerce Bank **immediately at 1-800-892-7104** as well as the P-Card Program Administrator, Michele Andrews at 619-644-8058 or Ken Leighton at 619-644-8053.
8. I understand and will comply with the designated purchasing limits on the card. **A purchase WILL NOT be split into multiple transactions to stay within the single purchase limit.**
9. I understand that it is the Cardholder's responsibility to dispute and/or follow-up on any erroneous charges, returns or adjustments and to ensure proper credit is applied on subsequent statements.

\_\_\_\_\_  
Employee Signature                      Date

\_\_\_\_\_  
Authorizing Signature                      Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Department/Location

Form PC-03



## Appendix D

For period: \_\_\_\_\_ through \_\_\_\_\_

Name: \_\_\_\_\_ Dept./Location: \_\_\_\_\_ Last 4 of Card #: \_\_\_\_\_

Date Ordered	Vendor	Items Purchased & Purpose	\$ Amt	Date Received	Expense to:
Total					

Cardholder Signature \_\_\_\_\_ Authorizing Signature \_\_\_\_\_

Date \_\_\_\_\_

Form PC-04



## Grossmont Union High School District Purchasing Card Missing Receipt Form

Appendix E

I, \_\_\_\_\_, have \_\_\_\_\_ not received (check one)  
\_\_\_\_\_ have misplaced  
a Purchasing Card receipt, (i.e., merchant sales slip).

This form is submitted in lieu of the original receipt:

Cardholder Name: \_\_\_\_\_

Card Number: \_\_\_\_\_

Department: \_\_\_\_\_

Date of Transaction: \_\_\_\_\_

Vendor Name: \_\_\_\_\_

#	Item Purchased and Purpose	Quantity	Unit Price	Amount
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
			Total	\$

I certify that the amounts shown above were expended for GUHSD business purposes:

Cardholder signature: \_\_\_\_\_ Date: \_\_\_\_\_

Supervisor/Director Signature: \_\_\_\_\_ Date: \_\_\_\_\_

One form must be filled out for **EACH** missing receipt. Submit this form with your other receipts and your transaction log.

Form PC-05





## Grossmont Union High School District Purchasing Card Cardholder Dispute Form

Appendix F

NAME: \_\_\_\_\_ VISA ACCT # \_\_\_\_\_

MERCHANT NAME: \_\_\_\_\_ AMOUNT: \_\_\_\_\_

TRANSACTION DATE: \_\_\_\_\_ POST DATE: \_\_\_\_\_

Dear Cardholder,

This form has been forwarded to you for your convenience. If you need additional space please use the reverse side. Regulations regarding your dispute require that you notify us in writing within 60 days of your receipt of the statement reflecting the disputed charge. You are not required to use this form; you may write us a separate letter. Attempts should be made with merchant to resolve the dispute before notifying your credit card company. Any response received after the above mentioned time frame may result in our inability to assist you with your dispute. Please fax your dispute notification to your Program Administrator; **1-619-460-0334**.

CHECK & COMPLETE THE **ONE** THAT BEST DESCRIBES YOUR DISPUTE & PROVIDE **ALL** REQUESTED DOCUMENTATION

- A. ☐ I have been billed more than once for the same transaction. I authorized only one charge with this merchant for \$ \_\_\_\_\_. My card was in my possession at the time of the disputed billing.
- B. ☐ I have been charged for a purchase that was paid for by other means. (Other credit card, Check, Etc.) Enclose copy of other method of payment that verifies purchase was paid for by other means.
- C. ☐ I have been billed for the wrong amount on my account. My credit card receipt shows \$ \_\_\_\_\_. However, I was billed \$ \_\_\_\_\_. Enclose a copy of receipt showing correct amount.
- D. ☐ I did not authorize this charge.
- E. ☐ Merchant was to issue credit for goods returned on \_\_\_\_\_. This credit has not posted to my account. Enclose copy of credit receipt received from merchant / or copy of returned mail receipt.
- F. ☐ I have not received the Services/Merchandise I ordered. The Service/Delivery date was \_\_\_\_\_. Explain all details, including your attempt to resolve with the merchant.
- G. ☐ I attempted to return merchandise but the merchant refuses to accept it. Explain reason for return, give Merchant's response & provide copy of original return mail receipt.
- H. ☐ I Canceled Service, Airline ticket, Hotel reservation, on \_\_\_\_\_. Cancellation # \_\_\_\_\_
- I. ☐ I have contacted the merchant to resolve my dispute about the quality of services or goods and am still not satisfied. Describe dispute fully, in detail. Include all documentation that supports your claim.
- J. ☐ I have resolved my dispute with the merchant.

Explanations: \_\_\_\_\_

 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

CARDHOLDER SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

Form PC-06



## Appendix B: Sample Contractor Determination Sheet

### INDEPENDENT CONTRACTOR DETERMINATION IRS GUIDELINES

Use the following checklist to define the role of independent contractor vs. employee. The person must pass this test in order to comply with IRS regulations governing independent contracts. (*Attach to Agreement.*)

PART I	Yes	No																					
<p>1. Has this category of worker already been classified an "employee" by the IRS?</p> <table border="0"> <tr> <td>administrators</td> <td>individuals "filling in"</td> <td>psychologists</td> </tr> <tr> <td>ASB workers</td> <td>on an individual basis</td> <td>school bus drivers</td> </tr> <tr> <td>athletic coaches</td> <td>intern psychologists</td> <td>specialty teachers</td> </tr> <tr> <td>cafeteria workers</td> <td>librarians</td> <td>substitutes</td> </tr> <tr> <td>clerical staff</td> <td>nurses</td> <td>teachers/instructors</td> </tr> <tr> <td>counselors</td> <td>proctors</td> <td>tutors</td> </tr> <tr> <td>examination monitors</td> <td></td> <td></td> </tr> </table>	administrators	individuals "filling in"	psychologists	ASB workers	on an individual basis	school bus drivers	athletic coaches	intern psychologists	specialty teachers	cafeteria workers	librarians	substitutes	clerical staff	nurses	teachers/instructors	counselors	proctors	tutors	examination monitors				
administrators	individuals "filling in"	psychologists																					
ASB workers	on an individual basis	school bus drivers																					
athletic coaches	intern psychologists	specialty teachers																					
cafeteria workers	librarians	substitutes																					
clerical staff	nurses	teachers/instructors																					
counselors	proctors	tutors																					
examination monitors																							
<p>2. Is this individual working as an employee prescribed by the Education Code?</p> <p>Education Code Sections 45100-45451 define what constitutes the classified service. Education Code Sections 44800-45060 define the certificated service. The IRS predisposes an employer/employee relationship when state law mandates such a relationship.</p>																							
<p>3. Is the individual already an employee of the district in another capacity?</p>																							
<p>4. Has the individual performed substantially the same services for the district as an employee in the past?</p>																							
<p>5. Are there currently employees of the district doing substantially the same services as will be required of this individual?</p>																							
<p>6. Does the district have the legal right to control the method of performance by this individual?</p> <p>Consider whether the District will train the individual or give instruction as to when, where, how, and in what order the work will be performed.</p>																							
<p>7. Does the District require the individual to submit reports on the details of their work or work at a particular site?</p> <p>These factors indicate the District maintains control sufficient for an employer/employee relationship. However, it is not necessary that the District exercise this right, or have the expertise required to do so.</p>																							
<p><b>If the answer to any of the above questions is "YES" --- STOP HERE !!!</b></p> <p>Do not complete the rest of the questions. The individual is a district employee and must be paid and reported accordingly. Call Human Resources for further details.</p>																							
<p>8. Will all the work be performed by this individual?</p> <p>Consider whether or not the individual may designate someone else to do the work without the District's knowledge or approval.</p>																							
<p>9. Does the district have a continuing relationship with this individual?</p> <p>Is this a "one shot" assignment, or will the District continue to use this individual in the future? This could be on an infrequent or irregular basis, but a continuous relationship exists.</p>																							
<p>10. Can this relationship be terminated without the consent of both parties?</p>																							

	Yes	No
If the answer to the question 8, 9, or 10 is <b>"YES"</b> , there is a good possibility that an employment relationship exists. Questions 8 & 9 are indicators of district control that in Conjunction with other factors imply an employment relationship.		
11. Does the individual operate an independent trade or business that is available to the general public?  A determining factor in judging independence is the performance of services to the general public. In evaluating this criteria, the District is considered to be a separate entity. Keep in mind: if the District is using this individual's services on a full-time basis, the individual is <u>not</u> available to the general public.		
12. Does the individual have a substantial investment in his/her business, i.e. maintains a facility, equipment, etc.?  This is indicative of economic risk inherent in business enterprises. An independent contractor must be able to make a profit or sustain a loss.		
If either 11 or 12 are <b>"NO"</b> , the individual is a district employee STOP HERE and process the individual through Human Resources and payroll. If 11 and 12 are both <b>"YES"</b> , continue...		
13. Does the individual provide all materials and support services necessary for the performance of this service?  The District should not be providing office space on a regular basis, clerical, secretarial, or other support for the individual such as materials, copying, printing, office supplies, etc. Any necessary assistance should be provided by the individual.		
14. Is this individual paid by the job or upon completion and acceptance of the work as a whole or milestones identified in the contract?		
15. Does the individual bear the cost of any travel and business expenses incurred to perform this service?  Generally the individual will pay the cost of any travel and business expenses incurred to perform the work. However, some agreements may be made to provide for payment of airfare, mileage, etc. for consultants.		
If 11 and 12 are <b>"YES"</b> , 13 through 15 should also be <b>"YES"</b> and are items that should be written into the Independent Contract.  This individual is an Independent Contractor. A <b>"YES"</b> on questions 13 through 15 supports the district's conclusion and substantiates a "reasonable basis" for treatment as independent contractor. While there is circumstances where the district may pay contractually provided expenses, these should be kept at a minimum to avoid giving the impression of an employment relationship.		

By signing below, Contractor and District Representative certify that they have reviewed District guidelines and that the information is true and correct.

Contractor Signature \_\_\_\_\_

Date \_\_\_\_\_

District Representative \_\_\_\_\_

Date \_\_\_\_\_

## Appendix C: Sample Administrative Regulations

### California Uniform Public Construction Cost Accounting Act



### SAMPLE DOCUMENTS 2015

Compiled by  
Guiselle Carreon, Commissioner  
California Uniform Construction Cost Accounting Commission

## DISCLAIMER

This handout has been prepared by the San Diego-Imperial Section CASBO Purchasing Professional Council. It has not been reviewed for approval by the State CASBO and is not an official statement of CASBO. Any advice or comments made by the panel members are not intended to replace the advice of your legal counsel.

**Sample Documents:** The sample documents below are provided for general information purposes only. Your use of any of these sample documents is at your own risk, and you should not use any of these sample documents without first seeking legal and/or other professional advice.

**CONTENTS**

Sample Board Agenda Item .....	1
Sample Resolution .....	2
Sample Board Policy .....	3
Sample Administrative Regulation 3311 .....	5
Sample Delegation of Authority for Emergency Projects .....	13
Sample Advertisement .....	16
Sample Contractor Registration Form .....	17
Sample Request for Proposals .....	18
Sample Force Account Worksheet .....	19
Frequently Asked Questions .....	20



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**SCHOOL DISTRICT**Business Services Division

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**Regular Governing Board Meeting:****April 29, 2004**

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**Topic:**

Adoption of Resolution (\_\_\_\_\_)

**Issue:**

Public projects contracts that exceed \$15,000 in cost have traditionally been awarded by the District through the formal bidding process as outlined in Public Contract Code Section 20111. However, another option exists for award of public projects by public agencies for expenditures up to \$175,000. Public Contract Code Section 22001 provides for the development of cost accounting standards and an alternative method for the bidding of public projects by public entities. This alternative method is known as the "Uniform Public Construction Cost Accounting Act". The only contracts that can be awarded under this Act are public projects and not maintenance work, as defined in Public Contract Code Section 22002.

**Plan:**

The adoption of resolution (\_\_\_\_\_) will provide the necessary authorization for the District to notify the State Controller's Office of the District's intent to participate and to enact an informal bidding policy to govern the selection of contractors to perform public projects.

**Fiscal Impact:**

There is no impact to the general fund in adopting this resolution.

**Recommended Action:**

Adoption of Resolution (\_\_\_\_\_) Authorizing Election Under Public Contract Code Section 22030 To Become Subject To Uniform Public Construction Cost Accounting Procedures; and Authorization for Superintendent or Designee to Execute Same

---

Originating Department:  
Purchasing

---



**BOARD POLICY**

BP 3300

Note: Education Code 17605 authorizes the Board to adopt a rule delegating authority to purchase services and materials and prescribing time, money, and subject matter limits to this authority. The amount delegated may not be in excess of the amount specified in Public Contract Code 20111 and 22000 et seq. Pursuant to SB 429 (Ch. 897, Statutes of 1995), these limits are currently \$45,000 for facilities projects and \$50,000 for other expenditures. The amount shall escalate automatically based upon the annual adjustment by the Superintendent of Public Instruction. Expenditures over these amounts must be competitively bid; see 3311 - Bids. The district may revise the following paragraph to specify financial limits equal to or lower than amounts specified in law, and to specify time limits as desired.

The Superintendent or designee may purchase supplies, materials, equipment, and services up to the amounts specified in Public Contract Code 20111 and/or 22000 et seq., beyond which a competitive bidding process is required.

(cf. [3310](#) - Purchasing Procedures)

(cf. [3311](#) - Bids)

(cf. [3312](#) - Contracts)

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

(cf. [3100](#) - Budget)

(cf. [3110](#) - Transfer of Funds)

All transactions entered into by the Superintendent or designee on behalf of the Board shall be reviewed by the Board every 60 days. (Education Code [17605](#))

No district funds shall be expended for the purchase of alcoholic beverages. (Education Code [32435](#))

The Board shall not recognize obligations incurred contrary to Board policy and administrative regulations.

Note: Education Code [17605](#) states that the district officer invested by the Board with the power to contract is personally liable for all district funds paid out as a result of malfeasance of office.

Legal Reference:

**EDUCATION CODE**

[17604](#) Delegation of powers to agents; liability of agents

[17605](#) Delegation of authority to purchase supplies and equipment

- [32435](#) Prohibited use of public funds
- [35010](#) Control of district; prescription and enforcement of rules
- [35035](#) Powers and duties of superintendent
- [35272](#) Educational and athletic materials
- [38083](#) Purchase of perishable foodstuffs and seasonal commodities
- [41010](#) Accounting system
- [41014](#) Requirement of budgetary accounting
- PUBLIC CONTRACT CODE
- [20111](#) Contracts over \$50,000; contracts for construction; award to lowest responsible bidder

Policy \_\_\_\_\_ SCHOOL DISTRICT

Adopted: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, California

Revised:

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*MODIFIED FOR A CUPCAA DISTRICT*

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\_\_\_\_\_ SCHOOL DISTRICT

Administrative Regulation

AR 3311

Business and Noninstructional Operations

Public Works Bids

The district has adopted the California Uniform Public Construction Cost Account Act procedures under Public Contract Code 22000 et. seq.

Informal Bids:

Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

Contractors List:

A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code. All contractors on the list for the category of work being bid shall be mailed, faxed, or emailed a notice inviting informal bids unless the product or service is proprietary and/or district shall send a notice inviting informal bids to all construction trade journals specified in Section 22036.

Competitive Bidding

The district shall seek competitive bids through advertisement for contracts involving an expenditure of greater than \$175,000 for a public project, informally bid contracts involving an expenditure of less than \$175,000, and seek quotes, when feasible, for projects involving an expenditure of \$45,000 or less.

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

Competitive bids shall be sought through advertisement for contracts exceeding \$50,000 as adjusted annually by the State Superintendent of Public Instruction, for the following: (Public Contract Code 20111; Government Code 53060). The amount by which contracts shall be competitively bid shall escalate automatically based upon the annual adjustment by the Superintendent of Public Instruction.

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

"Maintenance" means routine, recurring and usual work for preserving, protecting and keeping a district facility operating in a safe, efficient and continually usable condition for the intended purpose for which it was designed, improved, constructed, altered or repaired. "Maintenance" includes, but is not limited to, carpentry, electrical, plumbing, glazing and other craft work designed to preserve the facility as well as repairs, cleaning and other operations on machinery and other permanently attached equipment. This definition does not include, among other types of work, janitorial or custodial services and protection provided by security forces, nor does it include painting, repainting or decorating other than touchup. (Public Contract Code 20115).

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

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

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

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

#### Instructions and Procedures for Advertised Bids

The Superintendent or designee shall call for bids by advertising in a local newspaper of general circulation published in the district, circulated in the county, or if no such paper exists then in some newspaper of general circulation, at least once a week for two weeks. The notice shall state the work to be done or materials or supplies to be furnished and the time and place where bids will be opened. (Public Contract Code 20112)

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

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

1. Recycled Content and Recycled Products (Public Contract Code 22150 et seq.)
  - a. All bidders, including bidders for printing contracts, shall specify the minimum, if not exact, percentage of recycled product in the paper products offered, and both the postconsumer and secondary waste content.

b. Fitness and quality being equal, the District shall purchase recycled products whenever available at no more than the total cost of non-recycled products.

1. All informal and formal bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security: (Public Contract Code 20107, 20111)
  - a. Cash
  - b. A cashier's check made payable to the district
  - c. A certified check made payable to the district
  - d. A bidder's bond executed by an admitted surety insurer and made payable to the district

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

1. Bids shall not be accepted after the advertised bid opening time, regardless of whether the bids are actually opened at that time. (Public Contract Code 20112)
2. When two or more identical lowest or highest bids are received, the Board may determine by lot which bid shall be accepted. (Public Contract Code 20117)
3. If the district requires that the bid include prices for items that may be added to or deducted from the scope of work in the contract, depending on the availability of funds, the bid solicitation shall specify which one of the following methods will be used to determine the lowest bid. In the absence of such a specification, only the method provided in item #a, below, will be used: (Public Contract Code 20103.8)
  - a. The lowest bid shall be the lowest bid price on the base contract without consideration of the prices on the additive or deductive items.
  - b. The lowest bid shall be the lowest total of the bid prices on the base contract and those additive or deductive items that were specifically identified in the bid solicitation as being used for the purpose of determining the lowest bid price.
  - c. The lowest bid shall be the lowest total of the bid prices on the base contract and those additive or deductive items taken in order from a specifically identified list of those items, depending on available funds as identified in the solicitation.
  - d. The lowest bid shall be determined in a manner that prevents any information that would identify any of the bidders from being revealed to the public entity before the ranking of all bidders from lowest to highest has been determined.
1. Any subsequent change or alteration of a contract shall be governed by the provisions of Public Contract Code 20118.4.
2. After being opened, all submitted bids become public records pursuant to Government Code 6252 and shall be made available for review pursuant to law, Board policy, and administrative regulation.

(cf. 1340 - Access to District Records)

### Bids Not Required

Upon a determination that it is in the best interest of the district, the Board may authorize the purchase, lease or contract for data-processing equipment, purchase materials, supplies, equipment, automotive vehicles, tractors and other personal property through a public corporation or agency ("piggyback") without advertising for bids. (Public Contract Code 20118)

(cf. 3310 - Purchasing Procedures)

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

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

In cases of emergency when repair or replacements are necessary, the governing body may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by contractor, or by a combination of the two.

(b) In case of an emergency, if notice for bids to let contracts will not be given, the public agency shall comply with Chapter 2.5 (commencing with Section 22050).

(PCC 22035)

In cases of emergency when repair or replacements are necessary, the governing board may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing board, by contractor, or by a combination of the two.

By a four-fifths vote of the governing board, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.

By a four-fifths vote of the governing board, the authority to enter emergency contracts may be delegated as long as the designee takes the action to the governing board within 7 days or at its next regularly scheduled meeting which shall be no more than 14 days after the action was taken. The designee must report at each following meeting until the action is terminated (contract completed). Code is in conflict with boards that meet on a monthly basis.

(PCC 22050)

(cf. 9323.2 - Actions by the Board)

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



Public projects of \$45,000 or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order. (Public Contract Code 22032)

1. School building repairs, alterations, additions
2. Painting, repainting or decorating of school buildings
3. Repair or building of apparatus or equipment
4. Improvements on school grounds
5. Maintenance work as defined above

#### Sole Sourcing Brand Names

Specifications for contracts for construction, alteration or repair of school facilities may not limit bidding to any one product or supplier. Specifications designating a particular brand name shall list at least two brands of comparable quality or utility and follow the description with the words "or equal." (Public Contract Code 3400)

Specifications for contracts may designate a product by brand or trade name when one or more of the following conditions apply: (Public Contract Code 3400)

1. In order that a field test or experiment may be made to determine the product's suitability for future use.
2. In order to match other products in use on a particular public improvement either completed or in the course of completion.
3. In order to obtain a necessary item that is only available from one source.
4. (A) In order to respond to an emergency declared by a local agency, but only if the declaration is approved by a four-fifths vote of the governing board of the local agency issuing the invitation for bid or request for proposals. (B) In order to respond to an emergency declared by the state, a state agency, or political subdivision of the state, but only if the facts setting forth the reasons for the finding of the emergency are contained in the public records of the authority issuing the invitation for bid or request for proposals.

If the district specifies a brand name for a designated material, product, thing, or service by the specification shall be followed by the words "or equal" so that bidders may furnish any equal material, product, thing, or service. In applying this section, the District shall, if aware of an equal product manufactured in this state, name that product in the specification. Specifications shall provide a period of time prior to or after, or prior to and after, the award of the contract for submission of data substantiating a request for a substitution of "an equal" item. If no time period is specified, data may be submitted any time within 35 days after the award of the contract.

#### Prequalification Procedure

For any contract for which bids are legally required, the Board may require that each prospective bidder complete and submit a standardized questionnaire and financial statement. For this purpose, the Superintendent or designee shall supply a form which requires a complete statement of the bidder's financial ability and experience in performing public works. Prospective bidders shall submit the questionnaire and financial statement at least five days before the date fixed for public opening of sealed bids. The information shall be verified under oath in the manner in which civil law pleadings are verified. The questionnaires and financial statements shall not be public records and shall not be open to public inspection. (Public Contract Code 20111.5) The Superintendent or designee shall establish a uniform system for rating bidders on

the basis of completed questionnaires and financial statements in order to determine the size of contracts on which each bidder is qualified to bid. Bidders must be deemed prequalified by the district at least one day before the fixed bid-opening date. (Public Contract Code 20111.5)

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

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

For any contract awarded after January 1, 2014, using funds from the Leroy F. Greene School Facilities Act of 1998 or from any future state school bond if the project has projected expenditures of one million dollars or more, the District must prequalify all bidders. (Public Contract Code 20111.6) The District shall comply with all requirements of the PCC 20111.6 until its expiration on January 1, 2019.

#### Appeal Procedures

Contractors will be allowed to appeal a negative pre-qualification determination in accordance with California Public Contract Code §20101.d. There is no appeal from a refusal for an incomplete or late application. Without a timely appeal, the Contractor waives any and all rights to challenge the decision of the District, whether by administrative process, judicial process or any other legal process or proceeding.

In conjunction with this Pre-Qualification Policy, the District hereby establishes a Bidder Pre-Qualification Appeals Panel ("Appeals Panel"), consisting of the following three members, or their designee(s):

- Two representatives of the district.
- A member of an outside agency.

The sole issue before the Appeals Panel shall be the scoring of a Contractor. The decision of the Appeals Panel shall be the District's final administrative decision.

The date for submission and opening of bids for a specific project will not be delayed or postponed to allow for completion of an appeal process.  
Process:

1. Prior to disqualifying a contractor, the District shall serve written notice on the contractor:
  - a. Setting forth the reasons for the disqualification.
  - b. Indicating that the contractor will be afforded an opportunity to appeal the disqualification as outlined below. Effective notice shall be accomplished by certified mail, return receipt requested, to the last known address of the contractor, or the contractor's agent for service of process, or any of its principal officers, partners, owners or affiliated.

1. The contractor shall submit his appeal in writing with the Executive Director Facilities Management no later than 4:00 p.m. of the FIFTH business day following the day on which the notice of rejection was mailed to the contractor.
2. The District shall act upon properly filed requests within ten calendar days from the date of receipt of such request. If, after review, the District again rejects the contractor's application, the contractor may request an administrative hearing with the panel.
3. At the hearing, the contractor may present oral testimony concerning the contractor's capability and responsibility. The District shall notify the contractor of his decision within five business days following the hearing. The decision of the panel is final.
4. A contractor, who is denied prequalification, shall be disqualified in the same type of work or category of value for a period of one year thereafter.

#### Protests by Bidders

A bidder may protest a bid award if he/she believes that the award was inconsistent with Board policy or the bid's specifications or was not in compliance with law.

A protest must be filed in writing with the Superintendent or designee within five working days after receipt of notification of the contract award. The bidder shall submit all documents supporting or justifying the protest. A bidder's failure to timely file a protest shall constitute a waiver of his/her right to protest the award of the contract.

Any bidder submitting a Bid Proposal may file a protest of the District's intent to award the Contract provided that each and all of the following conditions are met:

1. The protest must be submitted in writing to the District (e-mail is not acceptable), before 4 p.m. of the FIFTH business day following bid opening.
2. The initial protest document must contain a complete statement of any and all bases for the protest, including without limitation all facts, supporting documentation, legal authorities and argument in support of the grounds for the bid protest; any matters not set forth in the written bid protest shall be deemed waived. All factual contentions must be supported by competent, admissible and creditable evidence.
3. The protest must refer to the specific portions of all documents which form the bases for the protest.
4. The protest must include the name, address and telephone number of the person representing the protesting party.
5. Any bid protest not conforming to the foregoing shall be rejected by the District as invalid. Provided that a bid protest is filed in strict conformity with the foregoing, the District's Deputy Superintendent, Business Services, or such individual(s) as may be designated by him/her, shall review and evaluate the basis of the bid protest. Either the District's Deputy Superintendent, Business Services or other individual designated by him/her shall provide the bidder submitting the bid protest with a written statement concurring with or denying the bid protest. The District's Governing Board will render a final determination and disposition of a bid protest by taking action to adopt, modify or reject the disposition of a bid award as reflected in the written statement of the Deputy Superintendent, Business Services or his/her designee. Action by the District's Governing Board relative to a bid award shall be final and not subject to appeal or reconsideration by the District, any employee or officer of the District or the District's Governing Board. The rendition of a written statement by the Deputy Superintendent, Business Services (or his/her designee) and action by the District's Governing Board to adopt, modify or reject the disposition of the bid award reflected in such written statement shall be express conditions precedent to the institution of any legal or

equitable proceedings relative to the bidding process, the District's intent to award the Contract, the District's disposition of any bid protest or the District's decision to reject all Bid Proposals.

6. The procedure and time limits set forth in this paragraph are mandatory and are the Bidder's sole and exclusive remedy in the event of bid protest. Failure to comply with these procedures shall constitute a waiver of any right to further pursue the bid protest, including filing a Government Code Claim or legal proceedings.

Regulation \_\_\_\_\_ SCHOOL DISTRICT

Approved: \_\_\_\_\_, 20\_\_\_\_, \_\_\_\_\_, California

Revised:

\_\_\_\_\_  
SCHOOL DISTRICT  
Business Services Division

Regular Governing Board Meeting

February 9, 2012

**SUPPORTS DISTRICT'S GOAL #II.A**

**Topic:**

Delegation of Authority in Regard to Awarding of Emergency Contracts.

**Issue:**

Pursuant to Public Contract Code Section 22050 (b) (1) the governing body, by a four-fifths vote, may delegate, by resolution or ordinance, to the appropriate county administrative officer, city manager, chief engineer, or other nonelected agency officer, the authority to order any action to repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts provided that the designee complies with the conditions set forth in the code.

**Plan:**

The adoption of resolution (\_\_\_\_\_) will authorize the Superintendent and/or the Deputy Superintendent of Business Services to award an emergency contract for public works as outlined in the attached resolution.

**Fiscal Impact:**

There is no fiscal impact generated from the adoption of this resolution.

**Recommended Action:**

Adoption of Resolution (\_\_\_\_\_) Delegating Authority to the Superintendent and/or \_\_\_\_\_ Superintendent of Business Services to Award Emergency Contracts

Originating Department:  
Purchasing

Submitted/Recommended By:

Approved for Submission to the Governing Board:

\_\_\_\_\_  
(insert name)  
\_\_\_\_\_  
Superintendent,  
Business Services

\_\_\_\_\_  
(insert name)  
\_\_\_\_\_  
Superintendent

\_\_\_\_\_ SCHOOL DISTRICT

Resolution No. \_\_\_\_\_

**DELEGATION OF AUTHORITY IN REGARD )  
TO AWARDING OF EMERGENCY CONTRACTS )**

On motion of Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, the following resolution is adopted:

**WHEREAS**, pursuant to Public Contract Code Section 22050 et. seq. the governing body, by a four-fifths vote, may delegate, by resolution or ordinance, to the appropriate county administrative officer, city manager, chief engineer, or other nonelected agency officer, the authority to order any action to repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts provided that the designee complies with the conditions set forth in the code; and

**WHEREAS**, Public Contract Code Section 20112 requires the Board to advertise for bids for public projects by publishing a notice calling for bids at least once a week for two consecutive weeks in a newspaper of general circulation published within the District; and

**WHEREAS**, from time to time emergencies arise necessitating awarding of a contract without competitive bidding to permit the continuance of existing school classes or to avoid danger to life or property; and

**WHEREAS**, the Board desires to delegate to District staff certain authority in regard to contracting for emergency public works projects.

**NOW, THEREFORE**, the Board does hereby determine, resolve, and order as follows:

**Section 1.** The foregoing recitals are true and correct.

**Section 2.** The Board hereby delegates the authority and discretion to the Superintendent and/or the Deputy Superintendent of Business Services to award emergency contracts for public works without competitive bidding.

**Section 3.** If a person with authority delegated pursuant to paragraph (1) or (2) orders any action specified in paragraph (1) of subdivision (a), that person shall report to the governing body, at its next meeting required pursuant to this section, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency.

**Section 4.** If a person with authority delegated pursuant to subdivision (b) orders any action specified in paragraph (1) of subdivision (a), the governing body shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless a person with authority delegated pursuant to subdivision (b) has terminated that action prior to the governing body reviewing the emergency action and making a determination pursuant to this subdivision. If the governing body meets weekly, it may,

after the initial review, review the emergency action in accordance with this paragraph every 14 days.

**Section 5.** When the governing body reviews the emergency action pursuant to paragraph (1) or (2), it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.

**Section 6.** This Resolution shall take effect immediately and shall remain in effect until rescinded by the Board.

**PASSED AND ADOPTED** by the Governing Board of the  
 \_\_\_\_\_ School District at \_\_\_\_\_,  
 California, on this \_\_\_\_\_ day of \_\_\_\_\_, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

STATE OF CALIFORNIA )

)

COUNTY OF SAN DIEGO )

I, Priscilla Schreiber, Clerk of the Governing Board of the  
 \_\_\_\_\_ School District of El Cajon, California, do  
 hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by said  
 Board at the regular meeting thereof at the time and place of vote stated, which resolution is on  
 file and of record in the office of said Board.

\_\_\_\_\_  
 Date

**NOTICE TO CONTRACTORS  
TO BE INCLUDED ON THE DISTRICT'S LIST OF QUALIFIED CONTRACTORS  
PER SECTION 22034 OF THE PUBLIC CONTRACT CODE**

**PREQUALIFICATION OF GENERAL AND MEP CONTRACTORS**

The \_\_\_\_\_ School District has elected to become subject to the California Uniform Public Construction Cost Accounting Procedures. The District is inviting all licensed contractors to submit information for inclusion on the District's list of "qualified" bidders for the \_\_\_\_\_ calendar year.

This notice requires contractors to provide the following information. Registration forms are available at [\(insert URL\)](#)

- 1) Company name
- 2) Contact name and mailing address
- 3) Contact phone number, fax number, and email address
- 4) Type of work contractor is interested in performing
- 5) Type of work contractor is licensed to perform
- 6) Contractor's license class and number

**NOTE: Registering with a district does not satisfy the prequalification requirements under PCC 20111.6 or the Department of Industrial Relations registration requirements under Labor Code 1725.5.**

**(Optional Language) Prequalification:** In addition to registering with the District, all General Contractors (A and B), Mechanical, Electrical and Plumbing Contractors (C-4, C-7, C-10, C-16, C-20, C-34, C-36, C-38, C-42, C-43, and C-46) need to complete the prequalification application in order to be eligible to work on projects in excess of \$1 million dollars. **Effective December 1, 2013**, the link for the application may be found at the above mentioned web address.

The \_\_\_\_\_ may create a new contractors list effective January 1<sup>st</sup> of each year and may include any contractor's name it desires on the contractors list, but shall include, at a minimum, all contractors who have properly provided the School District with the required information, either during the calendar year in which the list is valid or during November or December of the prior year. **(Optional Language)** The list will automatically include all contractors who submitted one or more bids to the School District during the preceding calendar year. A contractor may have their firm added to the School District's contractors list at any time by providing the required information. For information, call \_\_\_\_\_.

Information should be sent to:

Name & Address

Fax:

E-mail:

**Dated this** \_\_\_\_\_

Clerk of the Governing Board  
\_\_\_\_\_, District,  
of San Diego County, California



## *CONTRACTOR REGISTRATION APPLICATION*

### California Uniform Public Construction Cost Accounting Act

The \_\_\_\_\_ District has elected to become subject to the California Uniform Public Construction Cost Accounting Procedures. The District is inviting all licensed contractors to submit information for inclusion on the District's list of qualified bidders for the \_\_\_\_\_ calendar year.

#### NOTES:

1. The registration process is for the purpose of being notified of bid opportunities according to your license classification. Prequalification is a more complex process and will be required of all General Contractors (A and B) and all MEPs (C-4, C-7, C-10, C-16, C-20, C-34, C-36, C-38, C-42, C-43, and C-46) for projects in excess of \$1 million. We launched a web-based prequalification process in December. To apply for prequalification go to: (url)
2. SB 854 became effective July 1, 2014, and requires contractors to register with the Department of Industrial Relations prior to bidding on public works projects. This registration does not fulfill that requirement.

This notice requires contractors to provide the following information:

Company Name	Phone No.	Fax No.
Address	Contact Name:	
City, State, Zip	Email Address	
Type of Work	License Classification(s)	License No.  DIR No.

Information should be sent to:

\_\_\_\_\_, Director of Purchasing  
 \_\_\_\_\_ District  
 \_\_\_\_\_, CA 92111  
 Fax: \_\_\_\_\_  
 E-mail: \_\_\_\_\_

The \_\_\_\_\_ School District may create a new contractors list effective January 1<sup>st</sup> of each year and may include any contractor's name it desires on the contractors list, but must include, at a minimum, all contractors who have properly provided the School District with the required information, either during the calendar year in which the list is valid or during November or December of the prior year. A contractor may have their firm added to the School District's contractors list at any time by providing the required information. (Optional: The list will automatically include all contractors who submitted one or more bids to the School District during the preceding year.)

## REQUEST FOR PROPOSAL

### PUBLIC WORKS SERVICES UNDER THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

(Not to Exceed \$45,000)

#### Please Fax/Email Response To:

(insert name & contact information)

PLEASE RESPOND BY:

Company Name: \_\_\_\_\_ Contact: \_\_\_\_\_

Address: \_\_\_\_\_ Phone #: \_\_\_\_\_

Email Address: \_\_\_\_\_ Fax: \_\_\_\_\_

Please provide a proposal for the following scope of services:

Project Name:

Scope:

Start Date:

Completion Date:

Proposal attached: \_\_\_\_\_

No bid: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

EXHIBIT II-1									
PROJECT LEDGER CARD						START DATE:		9/20/2013	
MAIN STREET SCHOOL DISTRICT						END DATE:		10/31/2013	
Main Street School Remodel						Project Code:			
Project Manager: Sanders									
	RATE	UNIT	HOURS				TOTAL	GRAND TOTAL	
			Week 1	Week 2	Week 3	Week 4			
Direct Costs - Labor									
Maintenance Worker I	\$20.00	HR	20.0	20.0	20.0	20.0	80.0	400.00	
Maintenance Worker II	\$17.50	HR	20.0	15.0	20.0	10.0	65.0	175.00	
Foreman / Job Superintendent	\$40.00	HR	20.0	20.0	20.0	20.0	80.0	800.00	
							0.0	0.00	
							0.0	0.00	
							0.0	0.00	
Total Hours						50.0	185.0		
T & L Expenses								1,375.00	
Overhead							30%	412.50	
Labor w/Overhead								1,787.50	
Direct Costs - Equipment									
	RATE	UNIT	QTY	TOTAL	GRAND TOTAL				
Flatbed Truck - Daily	\$38.80	DY	2.0	2.0	77.60				
Table Saw, 16" Blade - Weekly	\$102.46	WK	1.0	1.0	102.46				
			0.0	0.0	0.00				
			0.0	0.0	0.00				
	\$0.00		0.0	0.0	0.00				
	\$0.00		0.0	0.0	0.00				
Total Hours			3.0	3.0					
Total Equipment Charges					180.06				
Overhead					30%			54.02	
Total Equipment w/Overhead					234.08				
Materials/Supplies/Subcontracts									
	RATE	UNIT	QTY	TOTAL	GRAND TOTAL				
Carpeting	\$2.00	SF	400.0	400.0	800.00				
Painting-Subcontract	\$1,500.00	EA	1.0	1.0	1,500.00				
Drywall	\$50.00	EA	10.0	10.0	500.00				
					0.0			0.00	
					0.0			0.00	
					0.0			0.00	
Total Hours			411.0	411.0					
Total Materials/Supplies/Subcontracts					2,800.00				
Overhead					30%			840.00	
Total Materials/Supplies/Subcontracts w/Overhead					\$0.00			3,640.00	
TOTAL PROJECT COST									\$5,661.58

## CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

### FREQUENTLY ASKED QUESTIONS (FAQs)

#### 1. What is the Uniform Public Construction Cost Accounting Act?

A program created in 1983 which allows local agencies to perform public project work up to \$45,000 with its own work force if the agency elects to follow the cost accounting procedures set forth in the *Cost Accounting Policies and Procedures Manual* of the California Uniform Construction Cost Accounting Commission (Commission). The Uniform Public Construction Cost Accounting Act (Act) is enacted under Public Contracts Code Section 22000 through 22045 (hereafter abbreviated as PCC 22000-22045).

In addition, the Act provides for alternative bidding procedures when an agency performs public project work by contract.

- a) Public projects of \$45,000 or less may be performed by negotiated contract or by purchase order (PCC 22032(a)).
- b) Public projects of \$175,000 or less may be let to contract by the informal procedures set forth in the Act (PCC 22032(b)).
- c) Public projects of more than \$175,000 shall be let to contract by formal bidding procedures (PCC 22032(c)).

Every five years, the Commission shall consider whether there have been material changes in public construction costs and make recommendations to the State Controller regarding adjustments to the bidding procedure monetary limits (PCC 22020). Adjustments should be effective for the fiscal year that commences not less than 60 days following the State Controller's notification to all participating agencies.

#### 2. What are the benefits of the program?

- a) Increased force account limit
- b) Informal bidding for projects between \$45,001 and \$175,000 which do not require advertising.
- c) Reduces the number of formal bids.
- d) Expedited contracting for small projects.

Many participants laud the program because it gives them more leeway in the execution of public works projects; has speeded up the awards process; has improved timeliness of the project completion; has eliminated considerable red tape and cumbersome paperwork relative to advertising and filing of reports; and has simplified administration. Many agencies have encountered only minimal challenges with the accounting requirements and the overhead portion. Moreover, where required, the adjustment was relatively simple; most of the required procedures were already actually in place, so there was no noticeable change in the existing operations. The Standard Accounting Codes Structure will satisfy the reporting requirements when used properly.

### **3. Is the Uniform Public Construction Cost Accounting Act mandatory for local agencies?**

No. The Act is a voluntary program. However, it is available to all local agencies, counties, and cities, both general law and charter.

### **4. How does a local agency become subject to the Act?**

The governing body must elect by resolution to become subject to the Act and file a copy of the resolution with the State Controller's Office (PCC 22030). Sample documents are available at: [http://www.sco.ca.gov/ard\\_cuccac.html](http://www.sco.ca.gov/ard_cuccac.html). Once an agency has opted into the Act it will remain a part of the program until it opts out. There is no need for renewal/re-opting in.

### **5. May a local agency withdraw from the Act?**

An agency may withdraw by filing a resolution of the agency's election to withdraw with the State Controller's Office.

### **6. What is the California Uniform Construction Cost Accounting Commission?**

A state commission created under the Act (PCC 22010). It consists of fourteen (14) members: thirteen (13) members are appointed by the State Controller and one is a designated member of the Contractors' State License Board. Seven members represent the public sector (counties, cities, school districts, and special districts). Six members represent the private sector (public works contractors and unions). The Commission members receive no salary, but are eligible for reimbursement of their direct expenses related to the Commission. The Commission is responsible for administration of the Act. The State Controller provides limited staff and other support to the Commission (PCC 22015(a)).

### **7. What are the Uniform Public Construction Cost Accounting Procedures?**

The cost accounting procedures were developed by the Commission. They are to be used to estimate costs for determining if a public project is required to be bid out and to capture and record actual costs when a public project is performed by the agency's own work force. The procedures follow normal accounting in the industry and in many cases are not much different from those already in place at the agency. Sample forms are available in the *CUCCAC Cost Accounting Policies and Procedures Manual*.

School districts may use the Standard Accounting Code Structure to comply with the tracking requirements.

### **8. Are the cost accounting policies and procedures applicable for agencies whose work force only performs maintenance tasks as defined in the Act and whose public projects are all contracted out?**

The cost accounting policies and procedures are only applicable for agencies that perform public project work by force account. This does not exclude from the program agencies whose public projects are all contracted out. In fact, they might want to review the benefits available and elect to participate now in the event conditions change at some time in the future.

Updated: September 9, 2015

Frequently Asked Questions (FAQ)  
Uniform Public Construction Cost Accounting Act

**9. The Public Contract Code section 22034(a) states “the agency shall maintain a list of qualified contractors<sup>1</sup>...”. What is meant by the term “qualified contractors”?**

The term “qualified contractors” is intended to define contractors who request to be added to an agency's list for specified types of specialty work and are licensed and otherwise legally qualified to perform that work as licensed contractors. In addition, the Commission has determined that nothing in the Act prohibits a participating agency from, at their discretion, using an objective pre-qualification process in the formation and maintenance of their contractor's lists. This change will be added to the language on Section 3, page 7, of the *Cost Accounting Policies and Procedures Manual*.

**10. Can a local agency disqualify or exclude certain contractors from the Qualified Contractors List required pursuant to PCC 22034(a)?**

Agencies may disqualify contractors from the Qualified Contractors List when a contractor fails to furnish information to meet the minimum criteria as established by the Commission pursuant to PCC 22034(a).

**11. For agencies that do not maintain an informal bidders list, are they allowed to choose who will get notifications on information projects?**

The Act requires that an informal bid project is either advertised and/or notifications are sent to all contractors on the informal bidders list. We have noticed that a very large percentage of signatory local public agencies do not maintain or update an informal bidders list and are sending notices to only one or two contractors.

There is no exemption to maintaining a list of bidders. PCC 22034(a). The public agency shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission. If an agency is not maintaining a list or notifying all contractors or trade papers, then they are not in compliance with the Act.

The Public Contract Code states that participating agencies shall adopt an ordinance requiring that a list of all qualified contractors, identified according to categories of work be maintained. It does not require the list to be used however, and allows notifications to the required trade journals and exchanges be used as an alternate if desired. For agencies that elect to use the alternative authorized method of advertising, the purpose of the list is effectively negated.

If an agency is using the contractor's list then they must send the notification to all contractors on the list for that category of work and the list must be maintained in accordance with the Manual.

**12. What is the difference between qualifying contractors under UPCCAA and prequalification of contractors under PCC 20101?**

Qualification of contractors is a process that allows contractors to register with the agency for notification of public works opportunities. The prequalification process under PCC 20101 is a more complex process that requires a standardized questionnaire and evaluation of contractors using standard scoring criteria.

<sup>1</sup> The term Qualified Contractors is pending legislative change. The proposed term is Registered Contractors.

Updated: September 9, 2015

**13. Must a local agency: (1) Notify contractors pursuant to PCC 22034(b) if the contractor is believed not to have the skills, credentials, or experience to perform the work? (2) Consider bids submitted if the agency believes the contractor does not have the skills, credentials, or experience to perform the work?**

- a) If a contractor is on the Qualified Contractors List (PCC 22034(b)), the contractor must be notified by the agency of public projects for which he is licensed to perform.
- b) All bids received from qualified contractors must be considered.

**14. Does the Act allow flexibility in cases of great emergency and when repair or replacements are necessary to permit the continued conduct of the operations or services of a public agency?**

PCC 22035 provides that in cases of great emergency the governing body may, by majority vote, proceed without adopting plans and giving notice to bids to let contracts. In addition, this section provides that the governing body may delegate to the appropriate agency manager the power to declare an emergency and/or proceed with repairs or replacements without approval by the board. PCC 22050 provides contracting procedures without giving notice for bids to let contracts for these emergencies.

**15. Do the alternative bidding procedures apply only to public projects as defined in PC 22002(c) or can they be used for the following types of items:**

- a) Maintenance work to be performed by contract?
- b) Purchase of heavy equipment?
- c) Purchase of materials?

Pursuant to PCC 22003, a participating agency may use the alternative bidding procedures on maintenance work as defined in PC 22002(d), items 1-5. PCC 22003 is permissive and agencies can continue to exclude maintenance from the alternative bidding procedures. However, if an agency misclassifies a project (\$45,001 or more) as maintenance and therefore, does not use the applicable bidding procedures, a review by the Commission may be conducted pursuant to PCC 22042(c).

The purchase of equipment and supplies fall under PCC 20111; however, when purchased or used as part of a public works project, the costs associated with the purchase or use become part of the project cost and must be considered when applying the bid limits under the Act.

**16. What will membership in the Act cost my agency?**

At the present, no required membership fees or dues are assessed. However, the Commission has never received direct state funding for a short period of its history. The State has indicated that the participating agencies, contractors, and unions that benefit from the Commission should be responsible for its funding. Therefore, in November 2004, the Commission asked member agencies, contractor's associations, and construction related unions for voluntary donations to support the Commission. There may be additional requests for voluntary support. Any mandatory fees or dues would require legislation and would be for a nominal amount.

**17. What are the most common concerns?**

Updated: September 9, 2015

Frequently Asked Questions (FAQ)  
Uniform Public Construction Cost Accounting Act

There are three leading areas of expressed concern and mostly all are quickly alleviated when addressed properly. These are:

- a) Cost accounting policies and procedures;
- b) Informal bidding procedures;
- c) Accounting review procedures.

The cost accounting requirements follow those common to the construction industry. The informal bidding up to \$175,000 is seen by the agencies as an asset enhancing project completion. Maintenance of a Qualified Contractor Bid List is routine, since interested contractors make it a point to be included on the list. While a review could potentially hold up a project for 30 days pursuant to PCC 22043, formal complaints have been rare in the Commission's history.

**18. Does an agency have to calculate an overhead rate in order to apply the accounting procedures?**

Cities with populations of less than 75,000 may use an overhead rate of 20% of all direct costs in lieu of the overhead rate calculation specified in Section VI of the Cost Accounting Policies and Procedures Manual. Cities with a population of more than 75,000, counties, special districts, and school districts may use an overhead rate of 30% of all direct costs, in lieu of a calculated rate.

**19. When a local entity opts into the Act, does the Act supersede other contracting legal requirements such as statutory requirements for performance bonds, prevailing wages, and certificates of insurance, etc.?**

The Act only supersedes the bidding procedures used once a public agency has adopted a resolution and notified the Controller. All other contracting requirements are applicable whether or not a public entity opts into the Act.

The specific mention of bidding procedures emphasizes the omission of other statutory requirements (such as bond payments, prevailing wages, addenda, change orders, etc.) and implies that their applicability is found in specific statutory provisions rather than the Act.

Therefore, the Act does not supersede other contracting requirements for performance bonds, prevailing wages, and certificates of insurance, etc.

**20. Can a signatory agency, claim to be to be exempt from requirements in the Public Contract Code (PCC) by claiming they only have to follow the language and procedures within the Act?**

No. The Commission has ruled in the past that where the Act is silent, the Public Contract Code applies.

Updated: September 9, 2015



**21. If signatory agencies are not following the advertising requirements in the Act, will the Commission address those agencies? Can a complaint be brought to the Commission?**

Yes, a complaint can be brought to the Commission. PCC 22042 lists the categories of complaints that the Commission can consider.

**22. PCC 20112 specifically requires school districts to advertise twice for a two week period, while PCC 22037 requires advertising once, 14 days in advance of the date of opening of bids. Which code applies to school districts?**

PCC 22037. When the Act is in conflict with any other code, the Act shall supersede. Districts may choose to maximize their outreach by continuing to advertise twice.

**23. May an agency contract separately for like work at the same site at the same time using the under \$45,000 Force Account method?**

Per section 22033 of the Public Contract Code, "It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding". Separating "like work" would only be permitted as long as the total of all the "like work" is less than \$45,000.

Otherwise the work would be required to be advertised and bid according to the provisions of the Act (i.e. bid informally if the total amount is less than \$175,000 and bid formally if the total amount exceeds \$175,000).

**24. May an agency bid out 2 separate projects that occur at the same time and site, but are different types of work?**

Yes, there is no violation if the work is being competitively bid. If the agency wants to use the negotiated or informal bidding processes, the agency must apply the appropriate limits to each of the projects. Each project must be separate in scope. Projects may not be separated by trade to avoid bidding. If the total of all jobs is greater than \$45,000; the informal or formal bid limit will apply.

**25. How does an agency process change orders when the standard code conflicts with the Act?**

For contracts below \$45,000, the total cost of the contract may not exceed \$45,000. For informal contracts, under the Act, the limit is \$175,000. If the agency is a school district, there may be additional limits and it is recommended the agency consult with their legal counsel for interpretation of change order limits.

**26. Does an agency by opting into the Act, automatically bring**

- a) all departments of the agency into the Act?

When a local agency elects to become subject to the uniform construction cost accounting procedures, the entire legal entity is considered subject to the Act and no divisions or departments will be exempt.

- b) all districts under control of the board into the Act?

Special Districts, which are governed by a board of supervisors or city council, are only subject if a separate election is made for each special district.

Updated: September 9, 2015

Frequently Asked Questions (FAQ)  
Uniform Public Construction Cost Accounting Act

**27. PCC section 22034 requires that participating agencies adopt an Informal Bidding Ordinance. What do school and special districts that cannot adopt Ordinances do to comply?**

For those agencies who cannot legally adopt an Ordinance, a Board Policy / Administrative Regulation or other legally applicable action of the governing board may be substituted. Such substitute shall include the provisions of PCC section 22034 (a) through (f). If an Ordinance is adopted, it does not take effect until 30 days following its second reading. If a substitute to an Ordinance such as Board Policies / Administrative Regulations are utilized which go into effect immediately upon adoption, no 30-day waiting period is required before utilizing the procedures outlined in the Act.

Additional inquiries and questions can be directed to:

State Controller's Office  
Division of Accounting and Reporting  
Local Government Policy Section      or  
3301 C Street, Suite 740  
Sacramento CA, 95816

[LocalGovPolicy@sco.ca.gov](mailto:LocalGovPolicy@sco.ca.gov)

Updated: September 9, 2015

## Appendix D: Sample Emergency Resolution

### RESOLUTION OF THE

#### DISTRICT

#### REGARDING DECLARATION OF EMERGENCY REQUIRING CONTRACT FOR REPAIRS, ALTERATIONS, WORK OR IMPROVEMENT WITHOUT ADVERTISING FOR OR INVITING BIDS

#### RECITALS

A. Pursuant to Section 20113 *[for community college districts, substitute 20654]* of the California Public Contract Code, in an emergency when any repairs, alterations, work or improvement is necessary to permit the continuance of existing classes or to avoid danger to life or property, the board may by unanimous vote, with the approval of the county superintendent of schools, make a contract in writing on behalf of the District for the performance of labor and furnishing of materials or supplies for those purposes without advertising or inviting bids.

B. *[Describe facts showing the need for repairs and justifying an emergency, e.g., "The boiler at Anywhere Elementary School exploded on \_\_\_\_\_ during the winter break and must be replaced. Classes will resume in 4 days. The Superintendent reports that existing classes will not be able to continue without an immediate repair of the boiler."]*

C. In the interest of permitting the continuance of existing classes and activities and to avoid injury to pupils and staff, the District is in need of immediate repairs or other work which cannot be accomplished in a sufficiently timely manner if the repairs are required to be subject to the bidding and advertising requirements of the California Public Contract Code.

D. The District will seek approval of the county superintendent of schools to conduct and pay for the repairs or other work on an emergency basis without competitive bidding.

#### THIS BOARD RESOLVES AS FOLLOWS:

1. The foregoing recitals are true and correct.
2. An emergency exists within the meaning of Section 20113/20654 of the Public Contract Code, requiring repairs, alterations, work and/or improvements to *[name of facility]* to permit the continuance of existing classes or to avoid danger to life or property.

3. Upon approval of the county superintendent of schools, the District shall secure a contract to perform the necessary repairs, alterations, work and/or improvements without advertising for or inviting bids.

4. The Superintendent is authorized and directed to take any necessary action to carry out the terms of this resolution.

I, \_\_\_\_\_, \_\_\_\_\_ of the Governing Board of the \_\_\_\_\_ District of \_\_\_\_\_ County, State of California, certify that this Resolution proposed by \_\_\_\_\_, seconded by \_\_\_\_\_, was duly passed and adopted by the Board at an official and public meeting this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_ of the Board  
of \_\_\_\_\_ the  
District of \_\_\_\_\_ County, California

APPROVED:

\_\_\_\_\_ COUNTY SUPERINTENDENT OF  
SCHOOLS

By \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_, 20\_\_\_\_.

G:\SLSREF\Business\ResoReDeclarEmergReRepairsWithoutAd4Bids\_GH.wpd

(File original and two copies of this resolution with the County Superintendent of Schools with a letter of request and authorization for the amount of funds to be transferred.)

# Appendix E: Sample Facility Use Fee Schedule

GROSSMONT UNION HIGH SCHOOL DISTRICT

A 1330(h)

## FACILITY USE FEE SCHEDULE

<i>Facility</i>	<i>Direct Cost</i>	<i>Non-Profit</i>	<i>Fair Rental Value</i>	<i>Notes</i>
Dirt Practice Fields	\$15/Day	\$25/Day	\$40/Day	No lining of fields by Dist. Staff, etc. Post-event clean-up by user group.
Turfed Baseball/Softball Fields	\$45/Day	\$55/Day	\$85/Day	No lining of fields by Dist. Staff, etc. Post-event clean up by user group.
Soccer/Lacrosse Fields (Dirt)	\$35/Day	\$45/Day	\$65/Day	No lining of fields by Dist. Staff, etc. Post-event clean up by user group.
Cafeteria w/Kitchen** (Dist. personnel required)	\$80/Hr. w/4-Hr. Minimum (Includes one Food Services staff member)	\$90/Hr. w/4Hr. Minimum (Includes one Food Service staff member)	\$100/Hr. w/4-Hr. Minimum (Same requirements as Direct Costs)	Kitchens must be operated, cleaned, and sanitized by experienced Dist. personnel.**
Cafeteria w/o Kitchen**	\$50/Hr. (No minimum)	\$60/Hr. (No Minimum)	\$75/Hr. (No minimum)	Cafeterias must be cleaned and trash emptied by user groups.
Small Classroom	\$10/Hr.	\$15/Hr.	\$25/Hr.	
Medium Classroom/Locker Room	\$15/Hr.	\$25/Hr.	\$35/Hr.	
Large Classroom	\$45/Hr.	\$55/Hr.	\$65/Hr.	
Relocatable Classroom	\$45/Hr.	\$50/Hr.	\$55/Hr.	
Gymnasium (Lighted)** w/without Locker Room/Rest Room	\$75/Hr. w/4-Hr. Minimum	\$100/Hr. w/4-Hr. Minimum	\$125/Hr. w/4-Hr. Minimum	Dist. staff to open/close/clean rest rooms and locker rooms at an additional fee.**
Little Theater/** Amphitheater	\$125/Hr. w/4-Hr. Minimum	\$140/Hr. w/4-Hr. Minimum	\$165/Hr. w/4-Hr. Minimum	District staff must operate equipment. Utility charges are based on current rates and are subject to change.**
Large Theater**	\$175/Hr. w/4-Hr. Minimum	\$215/Hr. w/4-Hr. Minimum	\$250/Hr. w/4-Hr. Minimum	District staff must operate equipment. Utility charges are based on current rates and are subject to change.**
Synthetic Turf and/or Rubberized Track	\$125/Hr.	\$175/Hr.	\$250/Hr.	(Day = 8 hours) A minimum of 2 hours is required. If stadium lights are requested, \$25 per hour with a minimum of 4 hours will be charged.
Parking Lot	\$75/Day (Stand-alone use)	\$85/Day (Stand-alone use)	\$100/Day (Stand-alone use)	No charge with facility rental.
Any Facility Used for Commercials/Movies ½ Day	\$850 per ½ Day ½ day = 1 - 6 Hrs.	\$850 per ½ Day ½ day = 1 - 6 Hrs.	\$850 per ½ Day ½ day = 1 - 6 Hrs.	District staff member must open/close facility.**
Any Facility Used for Commercials/Movies Full Day	\$1200 per Day Day = 7 – 12 Hrs.	\$1200 per Day Day = 7 – 12 Hrs.	\$1200 per Day Day = 7 – 12 Hrs.	District staff member must open/close facility.**
Custodial/Grounds	\$40/Hr.	\$40/Hr.	\$40/Hr.	4 Hr. minimum.
Tennis Courts	\$25/day	\$30/Day	\$35/day	User is responsible for post event clean up

## GROSSMONT UNION HIGH SCHOOL DISTRICT

A 1330(h) Cont.

## Facility Use Fee Schedule, Continued

Pool Admission Recreation Swimming	Adults \$2.00	Adults \$2.00	Children (3-17) \$1.00	Children under 3 are free and must be accompanied by an adult.
Pool Rentals	Short Term	\$30/Hr.	\$40 / hour	Plus staff costs (if applicable)
Pool Rentals	Long Term (at least three years)	\$1,250 / month	\$1,250 / month	Plus staff costs (if applicable)
Facility	Direct Cost	Non-Profit	Fair Rental Value	Notes
Annual Passes	Adults \$70 Child \$35	Adults \$70 Child \$35	Adults \$70 Child \$35	G.U.H.S.D. Employees - Free G.U.H.S.D. Immediate Dependents- Half Price
Lessons	Learn to Swim (6-15) \$20 / 8 lessons. Tiny Tots (3-5) \$30 / 8 lessons	Learn to Swim (6-15) \$20 / 8 lessons. Tiny Tots (3-5) \$30 / 8 lessons	Learn to Swim (6-15) \$20 / 8 lessons Tiny Tots (3-5) \$30 / 8 lessons	--
Pool Staff Costs	\$15 / Hr. Per Lifeguard	\$15 / Hr. Per Lifeguard	\$15 / Hr. Per Lifeguard	Number of lifeguards to be determined by Aquatics Supervisor

FACILITY USE APPLICATION FEE –\$50 per application per fiscal year (NO EXCEPTIONS)

Catering of cafeteria facility use events may be arranged through GUHSD Food Services, (619) 644-8183

\*\*Additional charges may apply and must be pre-arranged with the Manager of School Facilities.

NOTE: Proof of Insurance required as specified on the back of Use Form prior to any activity.

NOTE: Employee bargaining units require a minimum of 3 hours be paid for call back after completion of regular assignment and a minimum of 4 hours will be paid for call back on nonscheduled work assignments.

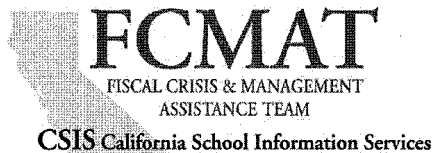
Category Guidelines**Direct Cost:** Covers costs incurred by site for custodial/grounds supplies, utilities, custodial/grounds, grounds staff, etc. Typical Direct Cost users include: religious services.**Non-Profit:** Typical Non-Profit users include: Adult athletic leagues**Fair Rental Value:** Fund raising events not associated with a GUHSD school site where admission fee is charged or donations are solicited. Typical FRV users include: Church fundraisers, commercial film makers.**Fee Exempt:** Youth Sports, site-based club (i.e., Ecology Club, Key Club, etc.) or site-based sports (i.e., football basketball, baseball, etc.) Fundraisers are fee exempt but may be charged for utilities and/or custodial/grounds service. Example: Lift-a-thon in the wrestling room as a fundraiser for football would be fee exempt. ALL FUNDRAISERS MUST BE APPROVED BY SITE A.S.B. AND ADMINISTRATION.Out of Season Club sports

Youth "Club Sports." "Club" is defined as any youth organization that charges a participation fee. "Club" sports will be charged a yearly fee based on number of participants.

0-25	participants	- \$100 per year
26-50	participants	- \$150 per year
51+	participants	- \$200 per year

Revised: 12/2009  
JS Herrington

# Appendix F: Study Agreement



## FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM STUDY AGREEMENT January 7, 2016

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the El Monte 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 assign professionals to study specific aspects of the district's 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.

In keeping with the provisions of Assembly Bill 1200, the county superintendent will be notified of this agreement between the district and FCMAT and will receive a copy of the final report. The final report will also be published on the FCMAT website.

### 2. SCOPE OF THE WORK

#### A. Scope and Objectives of the Study

The El Monte Union High School District is requesting FCMAT to:

1. Conduct an organizational and staffing efficiency review of the following departments in the district's Business Services Division:
  - a. Fiscal Services
  - b. Purchasing

2. Provide comparative staffing data for the Fiscal Services and Purchasing departments from three school districts of similar size and structure and make recommendations for staffing improvements or reductions, if any. FCMAT will make every effort to incorporate comparable districts located in the same geographical region and/or include comparable districts utilized in the collective bargaining process; however, FCMAT may need to extend the borders of the search area for comparable districts based on factors outside of its control such as lack of cooperation from targeted comparable districts, etc.
3. Evaluate the workflow and distribution of functions in and between the Fiscal Services and Purchasing departments to ensure that functions are properly assigned, sufficient oversight is provided and make recommendations for improved efficiency, if any.

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 team's procedures and 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 Meeting - 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 - Approximately 10 days after the exit meeting, the team will issue an exit letter briefly summarizing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
5. Draft Report - Electronic copies of a preliminary draft report will be delivered to the district's administration for review and comment.
6. Final Report - Electronic copies of the final report will be delivered to the district's administration and to the county superintendent following completion of the review. Printed copies are available from FCMAT upon request.
7. Follow-Up Support - If requested, FCMAT will return to the district at no cost six months after completion of the study to assess the district's progress in implementing the recommendations included in the report. Progress in implementing the recommendations will be documented to the district in a FCMAT management letter.



### 3. **PROJECT PERSONNEL**

The study team will be supervised by Michael H. Fine, Chief Administrative Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- |                            |                         |
|----------------------------|-------------------------|
| <i>A. To be determined</i> | <i>FCMAT Staff</i>      |
| <i>B. To be determined</i> | <i>FCMAT Consultant</i> |
| <i>C. To be determined</i> | <i>FCMAT Consultant</i> |

### 4. **PROJECT COSTS**

The cost for studies requested pursuant to Education Code(EC) 42127.8(d)(1) shall be as follows:

- A. \$500 per day for each staff member while on site, conducting fieldwork at other locations, preparing and presenting reports, or participating in meetings. The cost of independent FCMAT consultants will be billed at their actual daily rate.
- B. All out-of-pocket expenses, including travel, meals and lodging.
- C. 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 the district's acceptance of the final report.

**Based on the elements noted in section 2 A, the total estimated cost of the study will be \$18,500.**

- D. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT's 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 during on-site reviews.

B. The district will provide the following if requested:

1. Policies, regulations and prior reports that address the study scope.
2. Current or proposed organizational charts.
3. Current and two prior years' audit reports.
4. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the district and sent to FCMAT in electronic format.
5. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository, where the district will upload all requested documents.

C. The district's administration will review a preliminary draft copy of the report resulting from 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 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 different phases of the study and will be established upon the receipt of a signed study agreement:

Orientation:	to be determined
Staff Interviews:	to be determined
Exit Meeting:	to be determined
Preliminary Report Submitted:	to be determined
Final Report Submitted:	to be determined
Board Presentation:	to be determined, if requested
Follow-Up Support:	if requested

7. **COMMENCEMENT, TERMINATION AND COMPLETION OF WORK**

FCMAT will begin work as soon as it has assembled an available and appropriate study team consisting of FCMAT staff and independent consultants, taking into consideration other jobs FCMAT has previously undertaken and assignments from the state. The team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the district and any other parties from which, in the team's judgment, it must obtain information. Once the team has completed its fieldwork, it will proceed to prepare a preliminary draft report and a final report. Prior to completion of fieldwork, the district may terminate its request for service and will be responsible for all costs incurred by FCMAT to the date of termination under Section 4 (Project Costs). If the district does not provide written notice of termination prior to completion of fieldwork, the team will complete its work and deliver its report and the district will be responsible for the full costs. The district understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the district shall not request that it do so.

8. **INDEPENDENT CONTRACTOR**

FCMAT is an independent contractor and is not an employee or engaged in any manner with the district. The manner in which FCMAT's services are rendered shall be within its sole control and discretion. FCMAT representatives are not authorized to speak for, represent, or obligate the district in any manner without prior express written authorization from an officer of the district.

9. **INSURANCE**


During the term of this agreement, FCMAT shall maintain liability insurance of not less than \$1 million unless otherwise agreed upon in writing by the district, automobile liability insurance in the amount required under California state law, and workers compensation as required under California state law. FCMAT shall provide certificates of insurance, with additional insured endorsements, indicating applicable insurance coverages prior to the commencement of work.

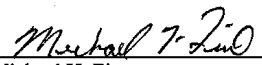
10. **HOLD HARMLESS**

FCMAT shall hold the district, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement. Conversely, the district shall hold FCMAT, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement.

**11. CONTACT PERSON**

Name: Cynthia Shieh, Chief Business Official  
Telephone: (626) 444-9005 x9835  
E-mail: [cynthia.shieh@emuhsd.org](mailto:cynthia.shieh@emuhsd.org)

 1/7/2016  
\_\_\_\_\_  
Cynthia Shieh, Chief Business Official Date  
El Monte Union High School District

 January 7, 2016  
\_\_\_\_\_  
Michael H. Fine, Date  
Chief Administrative Officer  
Fiscal Crisis and Management Assistance Team