



CSIS California School Information Services

# Foresthill Union Elementary School District

**Organization and Staffing Review**  
May 7, 2019



**Michael H. Fine**  
Chief Executive Officer







May 7, 2019

Cindy Uptain  
Interim Superintendent  
Foresthill Union Elementary School District  
22888 Foresthill Road  
Foresthill, CA 95631

Dear Interim Superintendent Uptain:

In June 2018, the Foresthill Union Elementary School district requested that The Fiscal Crisis and Management Assistance Team (FCMAT) review the district's central office. Specifically, the district requested that FCMAT perform the following:

1. Conduct an organizational and staffing review of the district's central office departments and workflow. The review will consist of the following departments; Superintendent's Office, Business Services and Personnel, and Maintenance, Operations and Transportation (MOT) including custodial. [At the district's request, Transportation was later excluded from the study.]
2. Provide comparative staffing data for school districts of similar size and structure and make recommendations to improve the efficiency, if any. The district office comparison will include up to three comparable school districts located in the geographical region or may include comparable districts utilized in the collective bargaining process by the Foresthill Union Elementary School District.
3. Review job descriptions for all central office department positions, interview staff and make recommendations for staffing improvements, if any.
4. Review the operational processes and procedures of the Business Services, Personnel and MOT departments and make recommendations for improved efficiency, if any.

This final report contains the study team's findings and recommendations.

We appreciate the opportunity to serve you, and we extend our thanks to all the staff of the Foresthill Union Elementary School District for their cooperation and assistance during fieldwork.

Sincerely,

Michael H. Fine  
Chief Executive Officer

**FCMAT**

Michael H. Fine, Chief Executive Officer

1300 17<sup>th</sup> Street - CITY CENTRE, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647  
755 Baywood Drive, 2<sup>nd</sup> Floor, Petaluma, CA 94954 • Telephone: 707-775-2850 • Fax: 661-636-4647 • [www.fcmat.org](http://www.fcmat.org)  
Administrative Agent: Mary C. Barlow - Office of Kern County Superintendent of Schools



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# About FCMAT

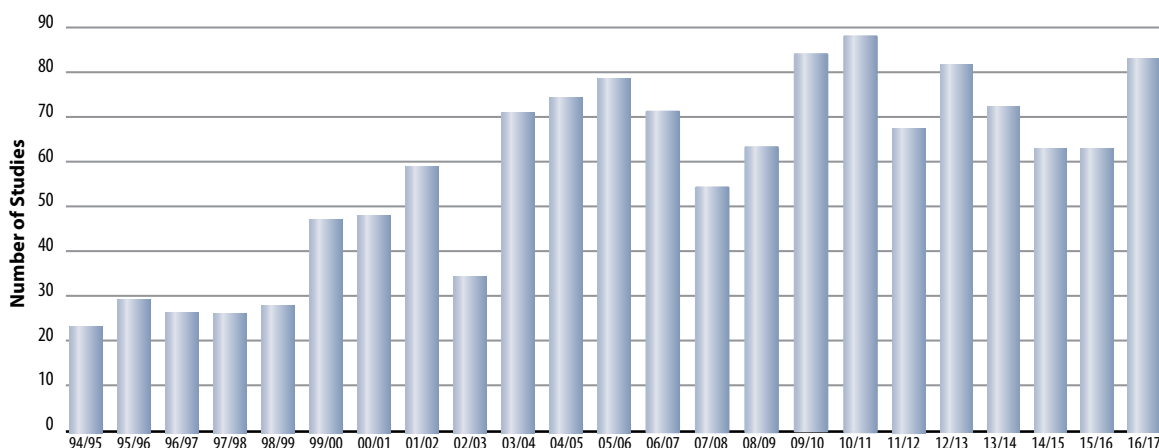
FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related 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 Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.



# Introduction

## Background

The Foresthill Union Elementary School District serves the town of Foresthill and surrounding areas, approximately 20 miles east of Auburn California, along the American River.

The district serves approximately 371 students in grades K-8 at its one school site, and has administrative offices at a separate location at a second school site that is no longer used but is partially leased to community groups. In June 2018 the district requested that FCMAT assist the district by reviewing the central office organizational structure and staffing.

## Study and Report Guidelines

FCMAT visited the district on August 9-10, 2018 to conduct interviews, collect data and review documents. This report is the result of those activities and is divided into the following sections:

- Executive Summary
- Organizational Structure
- Internal Controls
- Purchasing and Accounts Payable
- Accounts Receivable
- Payroll and Personnel
- Staffing Comparison
- Maintenance and Operations
- Use of Facilities
- Appendices

FCMAT's reports focus on systems and processes that may need improvement. Those that may be functioning well are generally not commented on in FCMAT's reports. 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.

## Study Team

The study team was composed of the following members:

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

Leigh Ann Blessing\*  
Chief of Finance and Operations  
Alameda County Office of Education  
Hayward, CA

John Lotze  
FCMAT Technical Writer  
Bakersfield, CA

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



# Executive Summary

FCMAT conducted an organizational and staffing study to provide the district's governing board and administration with an independent and external review of its central office departments and workflow. In doing so, FCMAT compared the organizational structure with the industry standards using standard theories of organizational structure, which include span of control, chain of command, and line and staff authority.

The district's enrollment has declined from a high of 658 students in 2002 to 371 students at the time of FCMAT's review. As a result, general fund revenues declined and the district reduced expenditures to produce balanced budgets. Expenditure reductions included, but were not limited to, the elimination of mid-level management and the consolidation of school sites.

The elimination of mid-level management reduced costs but also resulted in unintended consequences. The duties formerly performed by mid-level managers were assigned to classified leads or confidential positions. These positions have the authority to direct employees but not to evaluate and hold employees accountable. The reassignment of these duties from management to nonmanagement personnel appears random and did not maintain functional alignment of duties, meaning that duties were not assigned to positions that already performed similar or closely-related functions.

Central office staff have no desk manuals. Desk manuals enable consistency and continuity of tasks and procedures, and are helpful when training new staff and for staff performing duties as a backup. In addition, they help preserve institutional knowledge and document and monitor segregation of duties.

The central office lacks an up-to-date organizational chart. This document is necessary to identify the chain of command and the responsibility for functional areas for each staff member. An up-to-date organizational chart also reinforces the principle of unity of command, in which employees are directed and evaluated by a single supervisor.

The district's job descriptions for positions in its central office are not current, are not in compliance with requirements in the Americans with Disabilities Act (ADA), and do not reflect the duties being carried out by the personnel in the respective positions. It is a best practice to have current job descriptions that include each position's required duties, required knowledge and abilities, and essential functions.

The district secretary position is responsible for accounts payable functions. However, this position is also responsible for maintaining the district's vendor list and has the ability to create purchase orders in the district's financial system. As a result, this position has the ability to create a fictitious vendor in the financial system, generate a purchase order, and pay a fictitious vendor using the purchase order as supporting documentation. This is a significant deficiency of internal controls. No one employee should have the ability to conduct a complete financial process from start to finish.

The payroll/personnel position has access to both the personnel and payroll modules of the district's financial system. As a result, there is the potential for this position to set up a fictitious employee and then pay the fictitious employee using the payroll module. This is a significant deficiency of internal controls. To ensure that no one employee has the ability to control the process from start to finish, the duties of payroll and personnel should be separated among more than one employee.

All of the district's instructional and noninstructional staff in its central office report directly to the superintendent. This span of control is too broad. Without the support of mid-level management, the superintendent cannot adequately supervise, evaluate and hold accountable all central office employees.

The current business manager position is a 0.625 full-time equivalent (FTE) and is classified as a confidential position. Previously, this position was full time and was classified as management. The district should restore the business manager position to a 1.0 FTE management position and have some of the noninstructional positions in the central office report to the business manager. Increasing the business manager position to full time will also help accommodate the changes needed to ensure proper segregation of duties between employees in the business office.

A review of comparison districts indicates that each district has a full-time or part-time principal or vice principal position in addition to a district administrator. Because school districts have unique circumstances as well as varying priorities and resources, each district must determine the administrative model that best meets its needs. FCMAT has not found one model that is suited to all districts.

The district's maintenance and operations department consists of one 10-month and two 12-month positions. Based on industry standards and the district's custodial schedule, the recommended level of cleaning is not maintained. To provide for a higher level of maintenance and operations service, the district should identify its expectations for cleanliness, develop written standards and expectations, and increase the 10-month custodial-maintenance 1 position to 12 months.

School districts are required to have an Injury and Illness Prevention Plan (IIPP); however, FCMAT found no evidence that the district has such a plan. The district should immediately prepare an IIPP in compliance with the California Occupational Safety and Health Administration (Cal/OSHA) requirements.

# 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 a district's enrollment increases or declines. A 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 who report directly to a supervisor. Although 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 require less complex supervision, 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 accountable to only 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. It refers to the direct line in the chain of command. For example, the superintendent has direct line authority over the principal, and the principal has direct line authority over the teachers at her school site. 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 includes both line and staff authority.

The central office is staffed with one full-time interim superintendent, a part-time business manager, a full-time payroll/personnel position and a district secretary. The district secretary's duties include but are not limited to serving as primary clerical support to the superintendent. The business manager, payroll/personnel position and the district secretary are all confidential employees.

The purpose of any school district's organizational structure is to help management make important decisions to facilitate student learning while balancing financial resources. A uniform system of communication, authority and responsibility is needed for a district to achieve its goals and objectives.

## Functional Alignment

Central office management is usually organized in a hierarchical fashion. The superintendent acts as chief executive officer of the organization and oversees the activities of instruction, human resources and business, which are carried out through their respective divisions or departments. Larger school districts may have specialized areas within each division or department. In smaller districts, duties may be shared and some departments may be combined or may not exist. Ideally, duties should be aligned functionally, meaning that business office functions should be carried out in the business office, personnel functions should be carried out in the personnel office, and so on. In the Foresthill Union Elementary School District, this is not the case.

The district has had four business managers and three superintendents in the past five years. The central office is currently staffed with an interim superintendent; an 11-month district secretary; a part-time business manager who works three days a week, 11 months per year; and a full-time payroll/personnel position.

The district's enrollment has declined from a high of 658 students in 2002 to 371 at the time of FCMAT's review. As enrollment has declined, general fund revenues have diminished and the district reduced expenditures to produce balanced budgets. Expenditure reductions included, but were not limited to, the elimination of mid-level management and the consolidation of school sites.

The elimination of mid-level management reduced costs but also resulted in unintended consequences. The duties formerly performed by mid-level managers were assigned to classified leads or confidential positions. These positions have the authority to direct employees but not to evaluate and hold employees accountable. The reassignment of these duties from former mid-level management to nonmanagement personnel appears to have been random and did not maintain functional alignment of duties. For example, the district secretary position serves as the primary clerical support to the superintendent but also processes accounts payable for the district. In addition, as the same number of tasks were spread among fewer employees, it became increasingly difficult to maintain the segregation of duties needed to ensure internal controls.

All instructional and noninstructional employees in the district's central office report directly to the superintendent. This span of control is too broad. Without the support of mid-level management, the superintendent cannot adequately supervise, evaluate and hold accountable all central office employees.

The current business manager position is part time at 0.625 full-time equivalent (FTE) and is classified as a confidential position. Previously, this position was full time and was classified as management. It would benefit the district to restore the business manager position to a 1.0 FTE management position and assign some of the noninstructional staff in the central office to report to this position. For example, employees in the food services and transportation department could report directly to the business manager rather than to the superintendent. FCMAT's staffing comparison data and analysis later in this report also support this suggested change.

It would also benefit the district to implement the management principle known as planned abandonment in its central office. Under this principle, tasks are evaluated systematically to determine whether they are still relevant and required. For example, if the central office sends information to the school by email and in hard copy by interdistrict mail, the district should identify which is the most effective means of communication and eliminate one or the other. This is a best practice because school districts, like all organizations, are limited in what they can

manage. Planned abandonment can help ensure that the tasks performed are required and still benefit the district.

## Recommendations

*The district should:*

1. Ensure that duties of central office staff are functionally aligned.
2. Restore the business manager position to a full-time (1.0 FTE) management position.
3. Reduce the superintendent's span of control by reassigning the supervision of some noninstructional staff to the business manager position.
4. Explore the use of planned abandonment to ensure that all tasks performed at the central office are still required and benefit the district.

## Internal Controls

The term “internal control” is defined by the accounting industry as it applies to organizations, including school agencies. An organization establishes control over its operations by setting budgets, goals, objectives and performance expectations. An effective internal control structure provides the means to direct, monitor and measure an organization’s assets and resources, and plays an important role in protecting an organization from fraud, abuse or misappropriation.

Several factors influence the effectiveness of internal controls, including the social environment and how it affects employees’ behavior; the availability and quality of information used to monitor an organization’s operations; and the procedures and policies that guide an organization. Internal controls help an organization obtain timely feedback on its progress in meeting operational goals and adhering to guiding principles, producing reliable financial reports, and ensuring compliance with applicable regulations and laws.

All educational agencies should establish internal controls to accomplish the following:

1. Help identify and correct inefficient processes.
2. Comply with state and federal regulations.
3. Prevent management from overriding internal controls.
4. Assure the governing board that the internal control system is sound.
5. Educate employees in the use of and expectations for proper internal controls.

Internal control has five components that work together:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring activities

The methods implemented to achieve the five components of internal control must be scaled to accommodate an organization’s staffing, structure, programs and resources. The objectives of the five components are described below along with recommendations for implementation.

### Control Environment

The control environment includes the structures, processes and standards that provide a basis for carrying out the internal control process. It includes the management and governance functions and the tone, awareness and actions of senior management. Expectations are set here and can flow through all levels of an organization. The strength of the internal control environment is influenced by many factors including organizational values and history, management philosophy and operating style, organizational structure or configuration, assignment of authority and responsibility, and employee expertise and proficiency.

The district’s central office has no desk manuals for any of its positions. Desk manuals include step-by-step procedures for all job duties, and thus designate each position’s responsibilities to ensure that internal control procedures are followed. Desk manuals enable consistency and continuity of duties and are helpful when training new staff and for employees who are performing



the duties of another employee as a backup. They also help preserve institutional knowledge and document and monitor segregation of duties. Desk manuals provide guidance to help employees understand and carry out their responsibilities and identify ways to hold individuals accountable for performance of internal control responsibilities throughout the organization.

## **Risk Assessment**

Risk assessment identifies and analyzes the risks that an organization will not achieve its objective of having accurate financial information. Risk factors may include errors, violations of district policy, fraud, or noncompliance. Risk assessment requires an ongoing process of identification and analysis.

Many procedures and functions in the district's central office operations are vulnerable to risk. A lack of segregation of duties in accounts payable, purchasing, personnel and payroll present significant risk to the district's central office operations.

## **Control Activities**

Control activities are the policies and procedures that help ensure that management's directives are carried out in an organization. Some common control activities include performance reviews, authorization, physical controls, and segregation of duties. As discussed elsewhere in this report, the district lacks some necessary control activities.

## **Information and Communication**

An organization's management obtains or creates and uses relevant information from internal and external sources to support the functioning of internal control components. Communication is the process of continually obtaining, providing and sharing information.

Internal communication should be distributed throughout an organization through the chain of command, flowing up and down the chain. This allows management to communicate the importance of internal controls. Internal communication can be carried out through group meetings, by face-to-face dialogue, or using technology such as intranet sites or emails. External communication enables relevant external information to be brought into an organization and provides information to external parties in response to requests or requirements.

The district's central office lacks an up-to-date organizational chart. This document is needed to identify the chain of command and each staff member's functional area and responsibility. An up-to-date organizational chart also reinforces the principle of unity of command, under which employees are directed and evaluated by one supervisor.

The district's job descriptions for positions in its central office are not current, are not in compliance with the Americans with Disabilities Act (ADA), and do not indicate the respective duties being carried out by the individuals in each position. It is a best practice to have current job descriptions that include a position's required duties, required knowledge and abilities, and essential functions.

During fieldwork, FCMAT learned that the prior secretary to the superintendent destroyed several documents that the district may have needed to retain as permanent records. The California Education Code, California Labor Code, and Title 5 California Code of Regulations (CCR) provide for the classification, retention, inspection, and destruction of school district records. These legal codes define three classifications of records, as stated in Title 5 CCR Section 16022:

a) Prior Year Records. Before January 1, the district superintendent (or a person designated by the district not employing a superintendent) shall review documents and papers originating during the prior school year and classify them as Class 1 -Permanent, Class 2 -Optional, or Class 3 -Disposable.

(b) Continuing Records. Records of a continuing nature, i.e., active and useful for administrative, legal, fiscal, or other purposes over a period of years, shall not be classified until such usefulness has ceased. A pupil's cumulative record, if not transferred, is a continuing record until the pupil ceases to be enrolled in the district.

(c) Microfilm Copy. Whenever an original record is photographed, microphotographed, or otherwise reproduced on film, the copy thus made is hereby classified as Class 1 -Permanent. The original record, unless classified as Class 2 -Optional, may be classified as Class 3 -Disposable and may then be destroyed in accordance with this chapter if the following conditions have been met:

(1) The reproduction was accurate in detail and on film of a type approved for permanent, photographic records by the United States Bureau of Standards.

(2) The superintendent has attached to or incorporated in the microfilm copy his signed and dated certification of compliance with the provisions of Section 1531 of the Evidence Code.

(3) The microfilm copy was placed in a conveniently accessible file, and provision was made for preserving permanently, examining and using same.

(d) Any "historical inventory of equipment" shall be a continuing record as provided in subdivision (b) and shall not be subject to classification for retention or destruction until the inventory is superseded or until the equipment is removed from district ownership.

Note: Authority cited: Section 35253, Education Code. Reference: Sections 35168 and 35254, Education Code.

The California Association of School Business Officials (CASBO) publishes annually and makes available for purchase a guide to records retention (<https://www.casbo.org/content/now-available-casbos-updated-records-retention-manual>). This guide is an excellent resource for making decisions regarding the retention of documents.

## Recommendations

*The district should:*

1. Ensure that all positions have up-to-date and board-approved job descriptions that are ADA-compliant and include the essential functions of the job.
2. Update its organizational chart to include changes to the organizational structure of the district and chain of command.
3. Adopt and use the most recent version of CASBO's Records Retention Manual to help make informed decisions regarding records retention.
4. Create desk manuals that include step-by-step procedures for all business-related job duties in the central office.

## Monitoring Activities

Monitoring involves evaluating the effectiveness of controls on an ongoing basis and making adjustments or corrections when necessary.

Most people in an organization are responsible for internal control in some capacity because almost everyone either produces information used by the internal control system or is responsible for taking actions to implement internal controls. School administrators, governing board members and auditors have additional responsibilities to ensure an organization's internal controls are effective.

As the organization's leader and chief executive, the superintendent sets the organizational tone, influencing all activities and decisions and developing the internal control mindset of its employees.

A school district's business manager is usually responsible for integrating all internal control components in the district's administrative system. The administrative team provides leadership and direction to managers and provides feedback on their internal control decisions. Managers are responsible for assigning to appropriate personnel the responsibility for specific internal control policies and procedures, control activities, and monitoring.

A school district's governing board works as a group to provide governance, guidance and oversight. Individual board members can improve the control environment when they conduct themselves in an ethical manner and are inquisitive, free from bias, and informed.

Independent auditors determine whether the internal controls used are designed properly and whether they are implemented and work effectively. They also make recommendations for improvement; however, this should never be the only method of monitoring internal controls.

Fraud and misuse of physical or cash assets occur when three factors converge: pressure or motive, opportunity, and rationalization or lack of integrity. This is known as the fraud triangle. When two of the three factors are present, the probability that fraud will occur rises. When all three factors are present, it is almost certain fraud will occur.

The opportunity for fraud varies throughout an organization depending on the duties assigned to employees. Rationalization and lack of integrity are more likely to be present in organizations that do not implement and/or promote antifraud policies.

No program or person is immune to fraud. A person who is honest today can experience change or new circumstances that may make fraud an option for them tomorrow.

The purpose of internal controls is to help protect individuals from situations in which all elements of the fraud triangle are present. Strong checks and balances on vendors, good cash controls, and managerial and governing board oversight can all limit the incentive, opportunity, capability and rationalization that make fraud more likely, and can help prevent individuals from doing something they may otherwise never have considered.

If fraud does occur, strong internal controls can also help identify the suspect and exclude from suspicion innocent individuals who may be wrongfully accused, in some cases by the actual thief. Controls can also provide a document trail to help quantify the loss and to reduce or eliminate ongoing losses.

It is a best practice to ensure that employees receive ongoing training regarding what constitutes fraud and how it can hurt everyone in the organization; widely found fraud schemes; and common behavioral indicators of fraud. Effective training and communication will encourage

employees to be attentive to warning signs and will provide several ways to report suspected improprieties.

The following measures can improve a district's ability to effectively implement the five components of internal control:

**Staff cross training** — Cross training helps ensure that more than one employee can perform each job function. Cross training in a small district can be difficult; however, at least two employees need to be trained for each job function to ensure adequate coverage in case of illness, vacation, or resignation. This allows a district to continue operations without interruption.

**Segregation of duties** — No one employee should have custody of an asset (e.g., cash) and maintain the records for the transactions involving that asset. A fundamental tenet of sound internal controls is that an organization should have no instances in which one employee handles a transaction process from start to finish. Dividing or allocating tasks among different individuals reduces the risk of human error and fraud.

**Use of prenumbered documents** — It is best practice to have checks, cash receipts, purchase orders, receiving reports and tickets printed by an entity independent of the district, or automatically assigned in the financial software system. Physical controls are needed over the check stock, cash receipt books and deposit tickets. It is not adequate to simply use prenumbered documents without an independently reconciled log.

**Asset security** — Cash needs to be deposited daily, and district property such as computers and other equipment needs to be secured and protected. Access to supplies, including but not limited to stores, food, tools, equipment and gasoline, should be restricted to designated employees.

**Timely reconciliations** — A staff member other than the individual who assigned the original transaction and recording process needs to reconcile bank statements and account balances monthly. For example, the office employee who reconciles the checking account statement should not also process vendor payments.

Communicating to employees the expectation that they comply with all policies, procedures and standards of conduct can also help strengthen internal controls. Points to communicate include the following:

- Professional and personal leadership is based on the highest levels of integrity.
- The leadership philosophy and operating style promote internal control throughout the entire district.
- Accountability is improved by assigning responsibility and authority at the highest possible level.
- The district's procedures and policies reflect its internal control objectives and must be followed strictly.
- All employees need to know and understand both district procedures and policies and those specifically related to their own functions and duties.
- Employees need to be aware of their internal control responsibilities.
- Fraud (e.g., stealing, embezzlement, misuse of equipment, technology or supplies) is not tolerated.
- Employees are responsible for continually self-monitoring operations and job performance.

## Recommendations

*The district should:*

1. Use the five components of internal control to evaluate the integrity of its financial operations.
2. Ensure that employees receive ongoing training regarding what constitutes fraud, how it hurts everyone in an organization, common fraud schemes, and common behavioral signs of fraud.
3. Communicate the district's expectation that employees will comply with all policies, procedures and standards of conduct related to financial management and operations.

## Purchasing and Accounts Payable

School districts use purchase orders (POs) to initiate purchases from vendors. Purchase orders are used to complete an approval process prior to purchase, communicate the order to the vendor, and encumber the amount of the PO against a budget. Purchase orders can also be used to track the receipt of goods and services and provide information to accounts payable for auditing purposes.

In an ideal purchasing process, a requisition is entered into the financial system, which then encumbers the funds, routes the requisition for approval, and forwards it to the individual responsible for creating POs at the central office. A PO is created once a vendor is selected, and the PO is sent to the vendor. When the order is delivered to the district, the purchasing staff receive the item in the system and forward the packing slip to accounts payable. Accounts payable receives the invoice, verifies receipt of the goods and/or services, and processes the order for payment. To ensure that no one employee handles a process from start to finish, the purchasing and accounts payable functions are segregated. Assigning purchasing and accounts payable duties to separate employees prevents any one employee from having access to change or edit both the accounts payable and purchasing portions of the financial system.

If the item is delivered directly to the school site, the person receiving the item assigns the PO number to the packing slip, signs it, and forwards it to purchasing for receiving in the system. The packing slip is then forwarded to accounts payable for payment.

Similarly, if an open PO is required, a requisition is entered into the financial system, routed for approval, and forwarded to purchasing, which generates the PO. Contracts and agreements need to be renewed each fiscal year. FCMAT found that at the district's school site some items were purchased without purchase orders or in some cases that confirming requisitions were processed after goods were received or services were rendered. Purchases should not be made without a PO.

The district's secretary position is responsible for accounts payable functions. However, this position is also responsible for maintaining the district's vendor list, and has the ability to create purchase orders in the district's financial system. As a result, this position has the access and ability to create a fictitious vendor in the financial system, generate a PO, and pay a fictitious vendor using the PO as supporting documentation. This constitutes a significant deficiency in internal controls. No one employee should have the ability to handle a financial transaction process from start to finish. The district could correct this and prevent possible fraud by restricting the district secretary position's access to the purchase order module in the financial system.

The district secretary position has the authority to add and delete vendors in the financial system. During fieldwork, FCMAT found that the district was not requiring Form W-9 (Request for Taxpayer Identification Number and Certification) when new vendors were added to the list. The United States Internal Revenue Service requires Form W-9. When a school district pays an applicable vendor more than \$600 during a tax year, it is required to file Form 1099-MISC. To complete Form 1099-MISC, the district needs information from the vendor's Form W-9 (such as address and tax identification number). The district could reduce or prevent possible fraud by assigning the task of adding vendors and changing vendor information in the financial system to another employee in the business office, such as the business manager.

## Best Practices

When paying invoices, it is best practice for accounts payable to ensure that each vendor invoice references a purchase order number. If no purchase order number is indicated, accounts payable may have to search the purchase order database using vendor, items purchased, and ship-to locations to find the purchase order. Once the purchase order is located, it is best practice for accounts payable to verify that the items on the invoice match the items on the purchase order. When matching invoices to purchase orders, the district should be able to answer yes to the following questions:

- Does the vendor information on the invoice match the vendor information on the purchase order?
- Was the purchase order approved and issued before the goods were received or the service was rendered and the invoice was received?
- Are the items invoiced the same as the items ordered?
- If paying on an open purchase order, do the items match the general category of items authorized?
- Do the amounts invoiced (by total or by item) match the purchase order?
- Does the invoice have enough detail to verify that the services were performed as contracted? An invoice for services, especially a progress invoice, should include details such as dates of service, description of services, and hours of service.

It is also best practice for accounts payable to verify that invoices match the receiving document, such as a packing slip or bill of lading. The receiving of items can be verified by a receiving clerk or warehouse employee. However, the receiving of contracted services should require verification by a person with knowledge of the services being performed. The district should be able to answer in the affirmative or accurately the following questions regarding verifying invoices and matching them with receiving documents:

- Does the invoice match the items received?
- When were the items received? This will make a difference at year end when determining the fiscal year.
- Is the order complete and can the purchase order be finalized?

Accounts payable should also audit invoices to ensure the following:

- The purchase order, receiving document and invoice all match.
- The invoice is not a duplicate. Use exact vendor invoice number, amount and date to verify.
- The total invoice amount is correct.
- Shipping and handling have been applied correctly per the purchase order.
- Sales tax and/or use tax rate is correct for the delivery location.
- All charges are current, and the invoice does not include an amount brought forward.
- Purchase order encumbrances are sufficient to pay the current invoice or are within the district's variance policy.
- The invoice pricing matches any quote or bid pertaining to the purchase order.



- The account code is correct per the district's chart of accounts, department responsibility, and state account code requirements.
- The fiscal year for processing is correct.
- There is a Form W-9 on file for the vendor.

Sometimes the purchase order, receiving document and invoice will not all match. This can happen in the case of direct payments for which no purchase order was issued, such as a board-authorized pay voucher; when prepayments are made for services not yet received; and when purchases are made online using an authorized credit card.

## Recommendations

*The district should:*

1. Require an IRS Form W-9 from each vendor before adding them to its approved vendor list.
2. Reassign the task of adding vendors to the vendor list and changing vendor information in the financial system from the district secretary to another employee of the business office, such as the business manager.
3. Restrict the district secretary position's access to the purchase order module of the financial system so that the position does not have the ability to create a vendor in the financial system, generate a purchase order, and pay an invoice to the to the same vendor using the purchase order as supporting documentation.
4. Use best practices for purchasing and accounts payable as described above.

## Revolving Fund

The district maintains a revolving fund account in the amount of \$2,000 pursuant to Education Code Section 42800. The purpose of the revolving fund account is to pay for goods and services if an urgent need arises that cannot reasonably be met using traditional purchasing procedures. It is best practice to not use revolving funds for convenience or to bypass the traditional purchasing process or advance approvals. Reconciliation of the revolving fund should be performed regularly and often.

The district secretary is responsible for managing all aspects of the district's revolving fund, including reconciling the fund. The secretary indicated that she reconciles the fund two to three times a year. Standard and best practice in school districts is to perform such reconciliations monthly. The district secretary position is also responsible for issuing checks and for replenishing the fund.

FCMAT did not audit the district's revolving fund. However, the district's current lack of internal controls in this area creates the potential for a situation in which the signer and the payee on an issued check are the same person, which can allow inappropriate access to funds. In addition, the lack of monthly reconciliation and regular reimbursement of the revolving fund increase the probability that account errors will not be identified and corrected in a timely fashion and the likelihood that accounts will exceed their authorized limits.



It is best practice to ensure that bank statements and account balances are reconciled monthly by an employee independent of the individual who is assigned to the original transaction and recording. For example, the employee reconciling the checking account should not also maintain the check stock, make deposits or write checks. A lone employee should not handle any financial transaction process from start to finish.

## Recommendations

*The district should:*

1. Ensure that the revolving fund account is reconciled monthly.
2. Reassign the task of reconciling the revolving fund account to the business manager.
3. Ensure that the responsibilities for maintaining check stock, writing checks and making deposits rest with the district secretary.

## Accounts Receivable

It is the responsibility of accounts receivable to ensure all money is collected and deposited for goods or services the district has provided. Income the district receives includes cafeteria food sales, transportation costs, Kids Cub, health insurance payments from retirees, student activities funds, and facilities rental fees. The district collects income through the invoicing process, or funds are collected directly by the district before an invoice is issued if the items (such as funds collected for a student's meal account) do not require an invoice.

An invoice is a claim for compensation for goods or services. The duties of receiving cash, making deposits and performing reconciliations need to be segregated, regardless of whether the funds are collected directly or via an invoice. For example, since the payroll/personnel employee prepares invoices, a different employee, such as the business manager, needs to oversee the receipt and deposit of funds. It is standard and best practice to ensure that all cash and checks received are counted by two employees.

The district receives payments at the school and at its the central office. In most cases the employees who initially receive the funds do not also post the transactions and make deposits; however, sometimes one employee handles all aspects of the transaction. No one employee should handle a financial process from start to finish.

## Recommendations

*The district should:*

1. Ensure that all cash and checks collected are counted by two employees, and that the receiving and counting is documented and signed off on before it is brought to the employee who posts the transactions in the financial system.
2. Ensure that deposits of all checks and cash receipts are reviewed and approved by the business manager in the financial system before being deposited.
3. Schedule and make deposits regularly, and make additional deposits for special events.

## Payroll and Personnel

The central office has one payroll/personnel position, which is responsible for both the payroll and personnel functions of the district. Payroll responsibilities include processing all aspects of payroll for all full-time, part-time, temporary and substitute employees. This monthly process includes processing timesheets, maintaining all employees' sick and vacation leave benefits, processing wage garnishments and voluntary deductions, managing W-4 forms, fulfilling direct deposit requests, and preparing California Public Employees' Retirement System (CalPERS) and California State Teachers' Retirement System (CalSTRS) retirement reports. Quarterly tax reporting is also part of this process. Personnel responsibilities include recruiting potential employees and processing all required paperwork for new and departing employees, as well as managing all personnel-related issues not specific to payroll processing.

The district's payroll/personnel position has access to change both the personnel and payroll modules of the financial system. As a result, there is the potential for this position to create a fictional employee and then pay the fictional employee using the payroll module. This is a significant deficiency in internal controls.

The district needs a system in which no one employee has the ability to control all aspects of the personnel and payroll systems from start to finish. To accomplish this, it would need to ensure that payroll and personnel duties and access are separated among two or more employees. One possible solution is to have the district secretary manage the personnel module of the financial system, and to give responsibility for the position control module to an employee who does not also process payroll.

It is common for small districts to place responsibility for position control with the business manager, especially if it is managed using a spreadsheet; however, the responsibility can also reside with the district secretary if it is managed using a module in the financial system.

During interviews with employees, FCMAT learned that the payroll/personnel employee receives and processes timesheets for individuals who have not been processed through the district's personnel function and entered into the personnel system. It appears that some employees start work at the elementary school before their paperwork is processed through the central office. The district needs to create a process for hiring all employees, including substitutes, that ensures all necessary paperwork is on file before the employee begins an assignment.

## Recommendations

*The district should:*

1. Assign position control responsibilities to a position that does not also process payroll.
2. Separate personnel and payroll duties by assigning them to different employees.
3. Restrict access to the personnel and payroll module in the financial system.
4. Develop a complete desk manual for payroll processing. Ensure that the manual includes all documents, steps and processes needed to accomplish payroll duties, including those in the district's financial system.

5. Consider contracting out its monthly payroll services to another district or an experienced consultant.

## Staffing Comparison

The district requested that FCMAT compare its central office staffing with that of three other school districts in Placer County. The districts selected for the comparison were Alta-Dutch Flat Union Elementary, Colfax Elementary, and Placer Hills Union Elementary.

Although comparative information is useful, it should not be considered the only measure of appropriate staffing levels. Each school district in California is a complex organization, and resources vary widely. Careful evaluation of any comparisons is recommended to ensure all circumstances are taken into account.

The following table lists the student enrollment data as reported on the Ed-Data website for 2016-17 and business department staffing levels obtained from Foresthill Union Elementary and the three comparison districts.

	Foresthill Union Elementary	Alta-Dutch Flat Union Elementary	Colfax Elementary	Placer Hills Union Elementary
Enrollment	398	104	312	721
School Sites	1	1	1	2
Superintendent	1.0 FTE	0.50 FTE	.70 FTE	1.0 FTE
Business Manager	.625 FTE	0.50 FTE	1.0 FTE	1.0 FTE
Central Office Support Staff	Payroll/Personnel position; District Secretary	AR/AP	Admin Assist.	AP/Payroll; HR; Admin Assist.
Total Central Office FTE	3.625	1.25	2.70	4.44

Although all districts in the comparison are small, their sizes vary significantly. One district's enrollment is approximately one quarter that of Foresthill, and another is nearly twice that of Foresthill. This means that some considerations of scale are warranted; however, all the districts differ in how services are provided by the central office or school office, and some services are outsourced by the smaller districts. For example, Alta-Dutch Flat Union School District contracts with Colfax Elementary School District for food service, and Placer Hills Union, Alta-Dutch Flat Union Elementary and Colfax Elementary school districts all belong to the same transportation joint powers authority. Although Foresthill operates only one school, its central office is at a different location, and this must be taken into consideration in the comparison.

Based on the comparison and taking into account the unique and mitigating factors above, the district needs a full-time business manager position to ensure continuity in all its business functions and to enable support, oversight, cross training, and segregation of various duties as described earlier in this report. It would be consistent with best practices for the district to have the business manager supervise the food service and transportation departments, and review and approve all payroll, accounts payable and accounts receivable functions for which segregation of duties is needed.

FCMAT also compared the district's central office staffing with that of four other elementary school districts outside of Placer County. The districts selected for the comparison were Curtis Creek, Freshwater, Oak View Union, and Summerville. FCMAT considered district type, student enrollment, and general fund revenues per student when choosing the comparison districts. Data for the following comparison was taken from the Ed-Data and CDE DataQuest websites, and staffing information was obtained directly from the comparison districts.

*Comparison of Central Office Staffing in Selected California Elementary School Districts*

District	Foresthill	Curtis Creek	Freshwater	Oak View	Summerville
Enrollment*	406	441	354	402	394
Total Employees**	47	47	44	40	47
Unduplicated Pupil Percentage*	42.6%	54.6%	38.3%	50.3%	47.9%
General Fund Revenues Per Student*	\$11,669	\$12,663	\$10,642	\$10,246	\$11,100
School Sites	1	1	1	1	1
District Administrator	Superintendent	Superintendent	Superintendent/Principal	Superintendent/Principal	Superintendent (.50)
Central Office Support Staff	Business Manager (.625)	Chief Business Official	Business Manager (.725)	Business Manager	Chief Business Official (.41)
	Payroll/Personnel	Payroll/Account Clerk		School Secretary (.15)	AP/AR (.50)
	District Secretary	District Secretary (.50)		School Clerk (.15)	Payroll (.40)
Total Central Office Staff	3.625 FTE	3.50 FTE	1.725 FTE	2.30 FTE	1.81 FTE
Site Administrator	Principal	Principal	Vice Principal (.50)	Vice Principal	Principal

Notes on table:

Curtis Creek - district office and school site are on the same campus but are in different buildings; rather than the current configuration beginning in 2019-20, district will have a full-time superintendent/principal, and teachers will be assigned some site administrative duties (these teachers will receive a stipend and release time as needed); district has a full-time director of MOT and a full-time cafeteria manager.

Freshwater - district office and school site are at the same location; converted grades 7-8 to a district-operated charter school, located at same site as grades K-6, all back-office services are completed with the district's transactions and reported via fund 09.

Oak View - district office and school site are at the same location; school secretary and school clerk spend approximately 10%-15% of their time on central office duties such as accounts payable, payroll and clerical tasks (counted above as .15 FTE each); district has a full-time director of MOT and a 7-hour per day cafeteria manager.

Summerville - district office and school site are at the same location; rather than the current configuration beginning in 2019-20, district will have a full-time superintendent/principal and a full-time assistant principal; district has a full-time director of MOT and a full-time food service manager.

\*Source: Ed-Data 2017-18

\*\*Source: CDE DataQuest 2017-18 (includes all certificated and FTE classified staff, rounding used in calculation)

The data above indicate that the four comparison districts have an average of 2.33 FTE in the central office. The Foresthill central office has 3.625 FTE; however, three of the comparison districts also have full-time and/or part-time management staff that oversee maintenance, operations and transportation and food service. In addition, the central office in each of the comparison districts is at the same location or on the same campus as the school site.

The data also show that in the 2018-19 school year each of the comparison districts has either a full-time or part-time site principal or vice principal in addition to the district administrator position.

## Recommendations

*The district should:*

1. Consider increasing its business manager position to 1.0 FTE (i.e., eight hours per day, 12 months per year).
2. Ensure that the business manager position supervises any position in the central office that includes business duties.
3. Ensure that the business manager reviews and approves all payroll, accounts payable, and accounts receivable functions.

## Maintenance and Operations

The district's maintenance and operations department is staffed with one maintenance and operations lead position and two custodial-maintenance 1 (CM-1) positions. The maintenance and operations lead position is not a management position; it has the authority to direct the other two employees but not to evaluate their job performance. All three individuals in these positions have been with the district for less than five years.

The maintenance and operations lead works eight hours per day, 12 months per year, usually from 6 a.m. to 2:30 p.m. During the school year, the district's two CM-1 positions work from 10 a.m. to 6 p.m. and leave after the facilities are secured. One of the CM-1 positions works from 6 a.m. to 2:30 p.m. during the summer when school is not in session. Both positions work eight hour per day; however, one of the positions is on a 10-month work calendar.

The maintenance and operations lead is a plumber by training, and he and the other two employees perform a variety of major and minor maintenance and grounds tasks including but not limited to rough and finish carpentry, concrete work, plumbing, mowing, irrigation and painting. The district contracts with outside providers for electrical work and for heating, ventilation and air conditioning (HVAC) work.

The district has provided all three maintenance and operations employees with adequate tools to perform maintenance tasks. However, the department needs some equipment, including a welder, band saw and jackhammer. The department could also use a utility trailer to transport larger items, such as the Kubota tractor and riding lawn mowers, between the school and the district offices (which are located at a second school site that the district has closed but partially leases out to community groups). The maintenance and operations employees currently drive the equipment from site to site, which results in additional wear and tear on the equipment.

The district lacks training for maintenance and operations staff. With the exception of training on the use of new chemical stations for custodial duties, staff have not received any trade-related or safety training. In addition, FCMAT was unable to locate the district's Senate Bill (SB) 198 Injury and Illness Prevention Plan (IIPP). All California employers, including school districts, are required to have an IIPP, and it is often requested when the California Occupational Safety and Health Administration (Cal/OSHA) visits. An IIPP is required to:

1. Be in writing.
2. Identify the person with authority and responsibility for implementing the program.
3. Provide a means for identifying hazards to job safety and health.
4. Establish routine documented inspections and describe corrective steps taken to eliminate any hazards discovered.
5. Document training of new and current employees in general safe work practices and specific hazards related to their job assignment.
6. Provide a method for ensuring compliance with safety requirements.
7. Describe a system for communicating with employees on safety and health matters.



The district needs to immediately create and adopt an IIPP. A sample IIPP prepared by the School Insurance Authority is available online at <http://www.sia-jpa.org/loss-prevention/compliance/injury-and-illness-prevention/>.

The district's maintenance and operations department uses a manual work order system: School or district staff complete work orders and leave them in a drop box for maintenance and operations employees to complete. Although the system is not automated, FCMAT found that it works reasonably well given the small size of the district.

The two CM-1 positions perform routine custodial work. One of the CM-1 positions is responsible for deep cleaning during the summer. Both CM-1 employees indicated that the vacuums, auto scrubbers and carpet cleaners the district provides are adequate; however, both individuals indicated that there is a demonstrable need for custodial training.

Although there are no nationwide standards of cleanliness, the U.S. Department of Education has established five levels of cleaning, including how many square feet one can reasonably expect an employee to clean during an eight-hour shift:

- Level 1 cleaning results in a spotless and germ-free facility as might normally be found in a hospital or corporate suite. At this level, a custodian with proper supplies and tools can clean approximately 10,000 to 11,000 square feet in eight hours.
- Level 2 cleaning is the uppermost standard for most school cleaning and is generally reserved for restrooms, special education areas, kindergarten areas, or food service areas. This service level includes vacuuming or mopping floors daily, and sanitizing all surfaces. A custodian can clean approximately 18,000 to 20,000 square feet in an eight-hour shift at this level.
- Level 3 cleaning is the norm for most school facilities. It is acceptable to most interested parties and does not pose any health issues. Classrooms are cleaned daily, which includes dumping trash and cleaning common area surfaces such as sinks and door handles. Carpets are vacuumed and surfaces used by students are sanitized every other day. A custodian can clean approximately 28,000 to 31,000 square feet in eight hours at this level.
- Level 4 cleaning is not normally acceptable in a school environment. Classrooms are cleaned every other day, carpets are vacuumed every third day, and dusting is done once a month. A custodian can clean 45,000 to 50,000 square feet in eight hours at this level.
- Level 5 cleaning can rapidly lead to an unhealthy situation. Trash cans may be emptied and carpets vacuumed only weekly. One custodian can clean 85,000 to 90,000 square feet in eight hours at this level.

Although the above figures are estimates, they provide a starting point for establishing schedules. The actual number of square feet per shift that can be cleaned by a custodian will also depend on variables such as the type of facilities, school activity schedules, flooring, wall coverings, number of windows, restroom layouts, gym and athletic facilities, and offices. FCMAT recommends that districts aim to provide a level 2 cleaning to food service areas, restrooms, preschool through kindergarten rooms, and special education areas, and a level 3 cleaning everywhere else. Based on the district's custodial schedule, the district is maintaining level 4 cleanliness for classrooms and level 3 cleanliness for restrooms, gymnasiums and cafeterias.

The California Association of School Business Officials' (CASBO's) custodial staffing formula is a widely-used tool for estimating custodial staffing needs. This staffing formula determines the

FTE necessary to achieve a level 2 cleaning in those areas that require it, and a level 3 cleaning in other areas. When applied to the district, this staffing formula shows that 2.1 FTE is the staffing needed to achieve this level of cleaning.

The two CM-1 positions and the lead perform the grounds maintenance work for the district. APPA: Leadership in Educational Facilities, formerly known as the Association of Physical Plant Administrators, provides a formula for determining the appropriate grounds staffing, based on the desired level of service, as follows:

- Level 1 – State of the Art (the highest standard)
- Level 2 – High Level (this is the recommended staffing level for schools)
- Level 3 – Moderate Level
- Level 4 – Moderately Low-Level
- Level 5 – Minimum Level

Using the APPA formula for grounds staffing, the following table shows the number of FTE positions the district needs for each level of service:

Level of Service	# of FTE Required
Level 1 – State of the Art	1.7
Level 2 – High Level	1.3
Level 3 – Moderate Level	1.0
Level 4 – Moderately Low-Level	0.6
Level 5 – Minimum Level	0.3

The two CM-1 positions and the lead perform routine maintenance for the district, with the exception of electrical and HVAC work, which is contracted out. The APPA: Leadership in Education Facilities provides a formula for determining appropriate maintenance staffing based on the desired level of service. The levels of service are as follows:

- Level 1 – Showpiece Facility (the highest standard)
- Level 2 – Comprehensive Stewardship (this is the recommended staffing level for public schools)
- Level 3 – Managed Care (work order response time can be lengthy, and facilities' conditions remain stagnant)
- Level 4 – Reactive Management (facilities' conditions deteriorate at an accelerated rate)
- Level 5 – Crisis Response (maintenance staff can only respond to emergencies)

Using the APPA formula for maintenance staffing (<http://www.appa.org/fourcore/>), the following table shows the number of FTE maintenance positions the district needs for each level of service, if all routine maintenance tasks are performed in-house:

Level of Service	# of FTE Required
Level 1 – Showpiece Facility	1.2
Level 2 – Comprehensive Stewardship	0.9
Level 3 – Managed Care	0.7
Level 4 – Reactive Management	0.6
Level 5 – Crisis Response	0.4

Analysis of the district's maintenance staffing must consider the fact that the district contracts out for electrical and HVAC work. Based on the standard distribution of workload in a maintenance department, and considering the size and type of facilities, for purposes of staffing analysis the contracted electrical and HVAC work should be considered as 0.25 FTE credit to the district's current staffing.

It is common for small districts to utilize the same personnel for maintenance, grounds, and custodial work, and aside from routine schedules, the district does not track how staff time is allocated among these duties. The distribution of work among the various tasks will vary by daily school activities, by weather, and by season. For these reasons, in order to apply the level of service model to the district's staffing, the following table of aggregated data should be considered:

Level of Service	Custodial FTE	Grounds FTE	Maintenance FTE	Total FTE for service level	Difference between current staffing and staffing needed for level of service
Level 1	2.8	1.7	1.2	5.7	2.6
Level 2	2.1	1.3	0.9	4.3	1.2
Level 3	1.6	1.0	0.7	3.3	0.2
Level 4	1.0	0.6	0.6	2.2	-0.9
Level 5	0.5	0.3	0.4	1.2	-1.9

Notes on table:

The district's current staffing level is approximately 3.1 FTE for maintenance, grounds, and custodial. This includes 2.0 FTE (12-month CM-1 and lead), 0.83 FTE (10-month CM-1), and 0.25 FTE approximation for contracted services.

The custodial recommended level of service is based on the CASBO formula (2.1 FTE). FTE for higher and lower levels of service are scaled at the same ratio as APPA grounds standards.

FTE values are rounded to the tenth decimal place.

This table shows that the district is staffed to provide slightly below a level 3 service. If the 10-month CM-1 position was extended to 12 months, the district would be staffed at full level 3 service. Moving to a level two service would require the addition of another 1.0 FTE.

Although custodial workload varies significantly with changes in student population, grounds and maintenance work does not. For example, whether five students or 500 students attend a school, the same investment of time is required to mow the field. The district should consider this factor in maintenance and operations staffing decisions, especially considering the trend of declining enrollment. FMCAT recommends that the district not staff for lower than level 3 service; although level 2 service is desirable, strong leadership and oversight is typically needed to gain the full benefits of this service level.

Whether or not the district chooses to increase staffing, it would be beneficial to implement the following actions to maximize the effectiveness of maintenance and operations staff, particularly with custodial activities. Written cleaning standards and expectations would better define custodial and grounds work. It is normal and best practice for such standards to include daily, weekly and monthly duties, and to be developed with the participation of the superintendent and approval by the school board. It is best to develop these standards before creating work schedules so that the schedules can include adequate time to complete the tasks required. To develop meaningful standards, interested parties need to agree on what constitutes an acceptable level of service. Many school districts have found it useful to document cleanliness standards, protocols for interactions with staff, students and the public, safety, cleaning methods, schedules,

and training in a custodial handbook. The custodial handbook can serve as a reference and guide for permanent and substitute custodians. A link to a sample custodial handbook is included in Appendix A.

## Recommendations

*The district should:*

1. Establish a training program for maintenance and operations staff that includes custodial, trade-related and safety training.
2. Establish a multiyear budget to help it acquire large equipment items the maintenance and operations department needs.
3. Prepare an SB 198 Injury and Illness Prevention Plan in compliance with OSHA requirements.
4. Identify its expectations for cleanliness, and organize staffing and scheduling for custodial duties accordingly.
5. Increase the 10-month CM-1 position to 12 months.
6. Establish custodial standards and document them in a custodial handbook.

## Use of Facilities

The district's Board Policy and Administrative Regulation 1330 set forth its policy and procedures regarding community use of facilities. Board Policy 1330 states:

The Board of Trustees believes that school facilities and grounds are a vital community resource which should be used to foster community involvement and development. Therefore, the Board authorizes the use of school facilities by district residents and community groups for purposes specified in the Civic Center Act, to the extent that such use does not interfere with school activities or other school-related uses.

Although Board Policy and Administrative Regulation 1330 were updated in August 2017, the fee schedule that states the amounts community groups will be charged has not been updated since November 1992, and it is not easily accessible because it is not included online as an exhibit with the district's board policy.

Central office staff indicated that the fee schedule was not always followed in the past and that some outside groups received preferential treatment. It would benefit the district to update its fee schedule, post it online with its companion board policy and administrative regulation, and adhere to it when renting facilities to outside groups. This will ensure equitable treatment and avoid charges of favoritism.

## Recommendation

*The district should:*

1. Update its fee schedule for community use of facilities, post it online with its companion board policy and administrative regulation, and adhere to the fee schedule when renting facilities to outside groups.



# Appendices

## Appendix A

[Link to Sample Custodial Handbook](#)

## Appendix B

[Study Agreement](#)





## Appendix A

### Link to Sample Custodial Handbook

A sample custodial handbook is available on the Saugus Union School District website. FCMAT appreciates Saugus USD's willingness to share this best practices document.

The handbook can be viewed at:

<http://www.saugusud.org/documents/Business%20Services/Process%20and%20Procedure%20Guide/Custodial%20Handbook/Custodial%20Handbook.pdf>



## **Appendix B**

### **Study Agreement**





CSIS California School Information Services

**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM  
STUDY AGREEMENT**

**June 4, 2018**

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Foresthill Union Elementary School District, hereinafter referred to as the district, mutually agree as follows:

**1. BASIS OF AGREEMENT**

The team provides a variety of services to local education agencies (LEAs). 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 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**

1. Conduct an organizational and staffing review of the district's central office departments and workflow. The review will consist of the following departments; Superintendent's Office, Business Services and Personnel, and Maintenance, Operations and Transportation (MOT) including custodial.
2. The team will provide comparative staffing data for school districts of similar size and structure and make recommendations to improve the efficiency, if any. The district office comparison will include up to three comparable school districts located in the geographical region or may include comparable districts utilized in the collective bargaining process by the Foresthill Union Elementary School District.

3. Review job descriptions for all central office department positions, interview staff and make recommendations for staffing improvements, if any.
4. Review the operational processes and procedures of the Business Services, Personnel and MOT departments 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 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 by the district within six to 12 months after completion of the study, FCMAT will return to the district at no cost 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. FCMAT will work with the district on a mutually convenient time to return for follow-up support that is no sooner than eight months and no later than 18 months after completion of the study.

**3. PROJECT PERSONNEL**

The FCMAT 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. \$800 per day for each staff member while on site, conducting fieldwork at other locations, presenting reports or participating in meetings. The cost of independent FCMAT consultants will be billed at their actual daily rate for all work performed.
- 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 2A, the total not-to-exceed cost of the study will be \$16,300.**

- 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, located at 1300 17<sup>th</sup> Street, City Centre, Bakersfield, CA 93301.

#### 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
Draft 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,



