

Riverside County Office of Education
District Fiscal Services
Division of
Administration and Business Services

AUDIT MANUAL

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Objectives and General Audit Procedures

In order to allow processing of audited claims in a timelier manner, it is requested that each district submit copies of all board approved district policies related to:

- Accounts Payable
- Purchasing Regulations
- Travel and Conferences
- Credit Cards, if applicable

Submission of the policies should occur on or about July 1st of each fiscal year. Your submission of these documents will help us to serve you more effectively. (If these policies are available in a Microsoft Word format, they can be transmitted electronically to District Fiscal Services).

Commercial warrants are randomly selected for audit each day. The accounting system provides a criteria selection based on percentage of claims, using a random number generator. District Fiscal Services has the ability to determine what that percentage should be for each district separately and set the criteria accordingly. Currently, all districts are set at five percent. At least one claim will be selected for audit each day. After one claim is selected, the system then does regular rounding (i.e., 3.4 claims = 3 claims selected for audit; 3.6 claims = 4 claims selected for audit). Specific claims can be selected based on vendor number, an amount greater than, or by a component of the standardized account code structure.

- **Education Code 42636 requires the county superintendent of schools to determine if:**
 - Each order is properly drawn.
 - Payment of the expense is legally authorized.
 - The expense is charged against proper funds of the district.
 - Sufficient cash and budget are available in the fund or funds charged for the expense.Galaxy performs this verification automatically.

In accordance with Education Codes (EC) 42630-42633 (85232-85233 for Community Colleges) all payments from school district funds shall be made by written order (see Order List Approval form) and signed by an employee authorized by the governing board to sign orders. The signature of each authorized individual must be on file with the county superintendent of schools (see Certification of Signatures form). Board approval must be obtained for employees, rather than position title.

Schedule of Normal Processing

Please direct emergency requests to the Senior Accounting Technician or District Accounting Coordinator.

Approval:

- District approves claims after entered in Galaxy.
- Galaxy selects claims/warrants for audit.

Day 1:

- Warrants are printed.
- District sends an original, signed Order List Approval form for all claims.
- District views claims selected for audit in Galaxy.
- Audit documentation is sent to District Fiscal Services, via JET or next day mail, as applicable for your district.

Day 2:

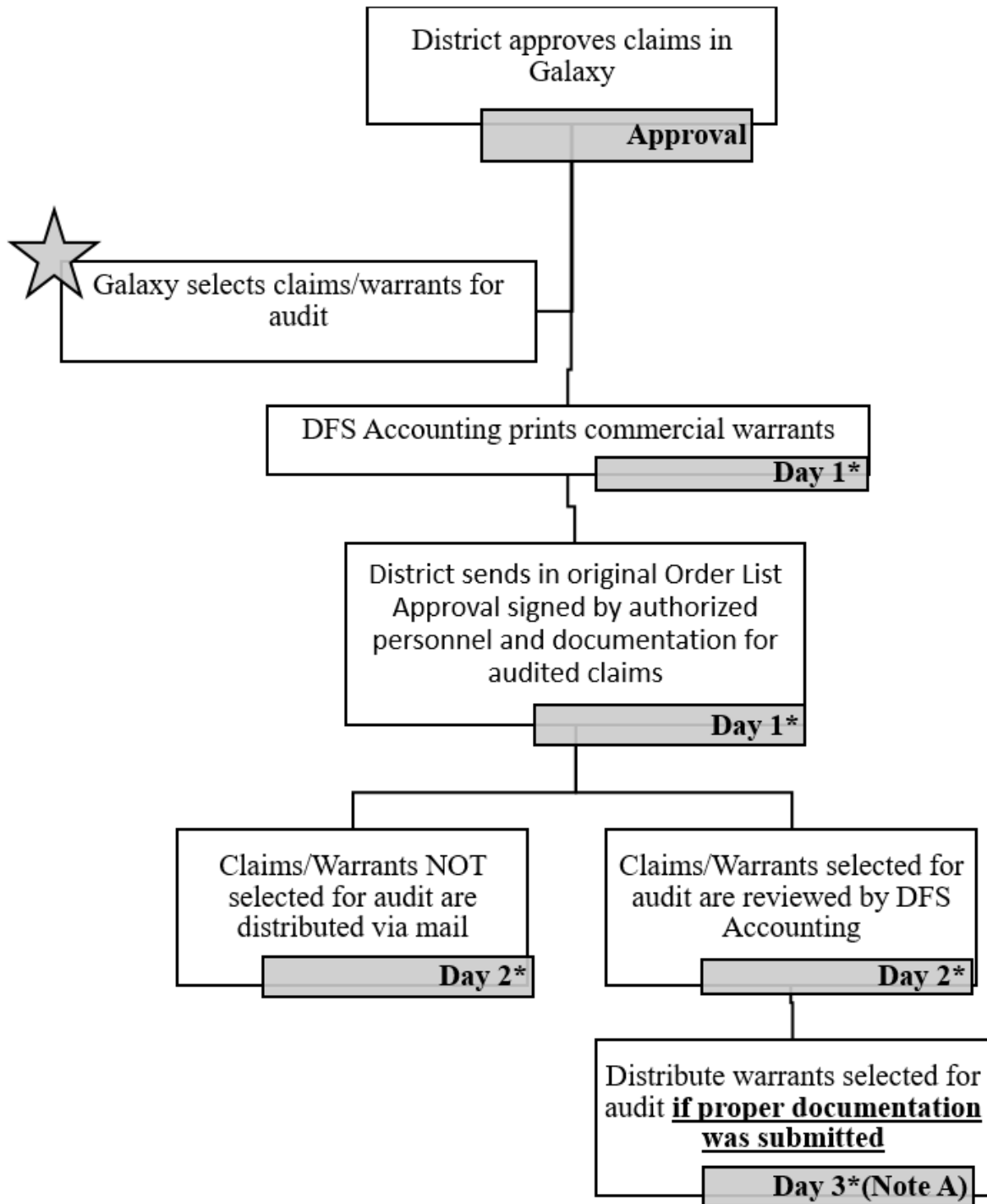
- Warrants not selected for audit are distributed if the originally signed Order List Approval has been received.
- Printed Audit Report generated by Galaxy is sent to district via JET mail.
- District Fiscal Services staff reviews supporting documents for audits and approves payment.

Day 3:

- Warrants selected for audit are distributed if proper documentation was submitted.

Unless there is a special request, please **Do Not Fax or Scan** in documentation for audits or Order List Approvals.

Schedule of Claims Processing



*If there is an emergency need for a warrant, please contact the District Accounting Coordinator or the Senior Accounting Technician.

NOTE A: Release of warrants will be delayed if proper documentation is not received. Also based on other tasks, audits may be reviewed next day (apportioning of funds, property tax calculations, etc.).

Objectives and General Audit Procedures (Continued)

- **General Audit Procedures**

- Verify that a complete claim package is presented.
 - Purchase Order
 - Signature of authorized personnel designated and approved by the Board to sign.
 - Identify material or services rendered.
 - Unit price/quantity.
 - Employment contract; if purchase is included in contract (memberships, car lease, etc.).
 - Invoice
 - Itemized.
 - Original copy, or certification of original on copy, signed by district personnel.
 - Receiving Documentation
 - Any signature indicating receipt of goods and date received.
- Audit purchase order for the following attributes:
 - Signature is board authorized.
 - Legal expenditure.
 - School district name on purchase order.
 - Vendor name.
 - Account code.
 - Modifications to the purchase order need to be approved (increases in amount, rates, terms) based on district policy.
- Audit invoice for the following attributes:
 - Vendor name on invoice matches to purchase order.
 - The school district's name must appear on the invoice.
 - The invoice is itemized as applicable:
 - Description.
 - Quantity.
 - Unit (i.e., hours, item, etc.).
 - Unit price.
 - Account coding is proper for expenditure (Fund, Resource, Object).
 - Invoice matches amount being paid.
 - Amount agrees to that on the purchase order.
 - Dates of invoice should be after the authorization of the purchase order.
 - Purchase order number is listed (if applicable).
 - District personnel signatures are evident if no receiver is included in claim packet.
 - Payment is legal pursuant to Education Code and/or County Counsel opinion.
- Audit of Receiving Documentation.

Goods or services received are verified by date received and signature on the invoice, purchase order or Packing Slip. Initials only accepted for centralized warehouse personnel.

Contract Documentation

Required Documentation

- Executed contract agreement, including board action approving contract and/or authorized agent's signature (EC 35161).
 - Purpose of contract.
 - Time period.
 - Not to exceed amount.
 - Payment provisions including reimbursable costs.
- Copy of board award of bid.

NOTE: If the above requirements are met, purchase order may be used in lieu of a contract.

Audit Procedures

- Review contract on file, or contract submitted with payment, to determine if it contains the proper elements defined in Required Documentation I (a) - (d) above.
- Verify that the governing board has taken proper action for approving contract, or that the contract was signed by an authorized agent of the district within the scope of his/her authorization.
- File bid documentation and/or contract for future reference, if so notified by district.
- Audit Invoice for the following attributes:
 - Vendor on invoice agrees to purchase order.
 - The school district's name must appear on the invoice.
 - The invoice is itemized as applicable (description, quantity, unit, and unit price).
 - Reimbursement costs.
 - Copying
 - Filing Fees
 - Other (mileage, travel, etc.)

Change or Alteration of Contracts

Background

It is sometimes necessary for changes or alterations to be made to an existing contract.

Required Documentation

- Written specifications with written agreement signed by both the authorized agent and the contractor.
- Copy of board approval of contract change order in accordance with Public Contract Code (PCC) 20118.4.

Audit Procedures

- Review the contract change and verify that the governing board has formally approved it, or that it bears the written approval of an authorized agent designated officially by the board.
- Verify that expenditures are in accordance with the contract as changed.
- File contract change or alteration with original contract for future reference.

Construction Contract

Background

To simplify the payment processes for large construction projects, many districts are using construction managers and multiple-prime trade contractor methods for payment. Payments are typically processed through one of three methods:

1. District payments directly to general contractor.
2. District payments to construction manager using a trust agreement. Construction manager pays prime contractors.
3. District payments to escrow account. Under construction manager direction the escrow pays the prime trade contractors.

Required Documentation

- District payments to general contractor:
 - Signed agreement with general contractor.
 - Board approval for agreement with general contractor.
 - Copy of board award of bid.
 - Invoices.
- District payments to construction manager using a trust agreement:
 - Signed agreement with the construction manager.
 - Board approval for agreement with the construction manager.
 - Board approved trustee agreement.
 - Copy of board award of bid to prime trade contractors.
 - Copy of contracts with prime trade contractors.
 - Invoices/Application and Certificate for Payment.
- District payments to escrow account:
 - Signed agreement with the construction manager.
 - Board approval for agreement with the construction manager.
 - Board approved escrow agreement.
 - Copy of board award of bid to prime trade contractors.
 - Copy of contracts with prime trade contractors.
 - Invoices/Application and Certificate for Payment.

Audit Procedures

- District payments to general contractor:
 - Signed agreement by general contractor and district.
 - Board approval for general contractor agreement.
 - Copy of board award of bid.
 - Invoices match to warrant requested.
- District payments to construction manager using a trustee/escrow account:
 - Signed agreement with construction manager and district.
 - Board approval for the construction manager.
 - Copy of board award of bid to prime trade contractors.
 - Board approval for trustee agreement or escrow agreement.
 - Escrow/Trustee agreement is signed by the district, bank and construction manager.
 - Escrow agreement contains a clause that the district receives the balance of funds in the account.
 - Copy of prime trade contractors' contracts signed by the district and trade contractor (after October 1, 2004, new agreements to have direct payment language).
 - Prime trade contracts should match the amounts approved on the board award of bid.

- Total invoices match to the warrant requested. The warrant must be for the work that is quantified and completed (will include retention); cannot be for a “deposit.”
- Verify the district, construction manager, architect and inspector have signed the invoices.

Credit Card Purchases

Background

The use of credit cards for goods and services is becoming more widely used among school districts. Although not specifically required, it is to the advantage of the governing boards of school districts to adopt policies regarding credit card purchases.

Recommended Documentation

- Copy of board policy regarding credit card purchases, if available (recommend board policy on credit cards).
 - Maximum spending limits per transaction, per day, and per month.
 - Persons responsible for cards and authorized signatures.
 - Those goods and services that are allowable legal expenditures, and those that are not.

Required Documentation

- Itemized original or certified copy of statement.
- Authorized signature of cardholder and approving official.
- Receipts.
- Statement of business purpose.
- Employment contract if expenses specific to employee(s).

Audit Procedures

- Review board policy of credit card purchases and/or travel policies as applicable.
- Verify statement is signed by cardholder and designated approving official.
- Verify that purchases are in accordance with board policy.
- Verify that the required documentation is present (see specific instructions related to payments).

Travel, Conferences, and Mileage Expenses

Background

Districts are authorized (EC 44032 and 87032) to incur actual and necessary (not per diem) expenses of any employee of the district while performing services of the district under the direction of the Governing Board. While not specifically required, Governing Boards should adopt policies regarding travel and conference expenses. Education Code 42634 states the district order should be accompanied by an itemized bill showing the separate items and the price of each.

Travel and Conference

Required Documentation

- Copy of district's Board approved travel policy to be on file with District Fiscal and Administrative Services.
- Copy of Employment Contract if expenses specific to employee(s).
- Copy of itemized travel claim that indicates the following.
 - Dates involved.
 - Destination of trip.
 - Name of claimant and signature.
 - Purpose of trip, including conference brochure/flyer.
 - Cost of travel – attach receipts.
 - Cost of lodging - attach hotel receipt showing the single room rate.
 - Meals - breakdown breakfast, lunch and dinner. Receipts are required to be submitted unless the district's board policy is to pay by per diem.
 - Cost of registration – attach flyer or conference brochure.
 - Explanation of other expenditures – include all receipts.
 - Appropriate approvals prior to travel. If applicable, completed and signed travel request.
 - Superintendent or Board Designee must approve for all employees prior to travel.
 - The board travel policy must specify who is authorized to approve the district superintendent's travel claim.

Non-essential or prohibited expenses, such as in-room movies, alcohol, etc., should not be included for reimbursement. Purchase of alcoholic beverages with public funds is prohibited (EC 32435).

If individual claim includes costs for other employees (group claiming), names of other employees must be listed next to expenses claimed and travel claims of those employees should be submitted at the same time.

Expenses for spouses, dependents, friends and employees of other agencies are not reimbursable. If expenses were paid by district, they must be reimbursed and proof of reimbursement must be included with claim.

Audit Procedures

- Refer to district's Board policy.
- Review items listed in III of Required Documentation
 - Verify expenditures are in accordance with policy (Test for reasonableness).
- If payment involves claim for more than one person, divide total by number of people and verify per person charge to determine compliance with policy.
- If detailed meal receipts are not available and district does not reimburse by per diem, request a signed itemization from the district with a certification that alcohol was not purchased.

Mileage

Required Documentation

- Copy of the board adopted mileage reimbursement policy.
- Copy of the mileage claim including dates, destination, purpose and number of miles.

Audit Procedures

- Verify that the claim includes the dates, destination, purpose and number of miles.
- Test for reasonableness.
- Verify reimbursement rate is the allowable IRS rate or less. If reimbursement is greater than the IRS rate, the difference must be reported to the IRS.

Tuition, Reimbursable Expenses

Background

To maintain or improve skills, employees of school districts often incur tuition and other reimbursable expenses.

Required Documentation

- Board policy authorizing such reimbursement.
- Copy of union contract, grant letter, etc.
- Validated receipts for registration and authorized expenditures.
- Approval.

Audit Procedures

- Verify that the payment is in compliance with board policy.
- Verify that a validated receipt for registration and other authorized expenses accompanies the request.
- Verify the request was properly approved.

Student Reimbursements

Background

Students are often reimbursed for fees they have paid for lost or damaged books, shop fees, tuition fees (Community College), bus fees, etc., where the student has found the book or will not be enrolling in classes at the Community College.

Required Documentation

Signed certification of student/parent that is eligible for reimbursement and authorized district personnel, or request form giving reason for reimbursement.

Audit Procedure

Verify certification document or request form is signed by student/parent and personnel authorized by the district, and document agrees to payment being made.

Revolving Cash Fund

Background

The governing boards of school districts establish Revolving Cash Funds by adopting a resolution setting forth the necessity of the fund, the officer to act as custodian and the amount of the fund. Approval of the county superintendent is required.

Required Documentation

- Board resolution establishing fund approved by the county superintendent of schools on file.
- For each item included in the request, a receipt consisting of the following is needed (EC 42804).
 - Itemized bill, receipt or invoice indicating:
 1. Amount.
 2. Date.
 3. Business purpose of expenditure.
- Employment Contract; if expenses are specific to individual(s).

Audit Procedures

- Audit reimbursement request and supporting documentation for the following attributes:
 - Approved Board resolution establishing fund is on file.
 - Reimbursement request provides detail of items paid.
 - Warrant is made payable to custodian of record (EC 42803).
 - A proper receipt is included for each expenditure.
 - Expenditures are a legal charge against the district.

Memberships in Organizations

Background

There is no specific authority to use district funds to pay membership fees in organizations for individuals. Exceptions exist for memberships that are stated in individual employment agreements.

Memberships may be purchased for the school district or a school in the district. A district representative may be noted on the membership form; however, ownership of the membership is retained by the school district. Governing boards may subscribe for membership in any national, state, or local organization of governing boards of school districts. “The governing board of any school district may: subscribe for membership for any school under its jurisdiction in any society, association, or organization which has for its purpose the promotion and advancement of public or private education...” (EC 35172).

To pay for memberships/dues in the name of individuals, the governing board must either:

1. Include the item specifically in the individual’s contract, e.g., superintendent’s contract, or
2. Take specific action and have board policy that states the payment of dues is part of the fringe benefit program for the “entire” group of employees, e.g., assistant superintendent, management, etc.

Required Documentation

- Board approval.
- Purchase Order.
- Invoice.
- Contract or board excerpt/policy if dues paid in name of an individual.

Audit Procedures

- Verify that the payment is in compliance with board policy.
- Verify that the required documentation is present (see specific instructions related to payments).

Open Purchase Orders

Background

An open purchase order is a contractual agreement that permits authorized individuals to obtain items of supplies from local commercial firms. Specific items, prices and quantities are not specified on the order. The open purchase order permits specific individuals to sign for supplies purchased. This method of purchasing should only be used when it is not possible to determine items needed, actual quantities, actual prices to be paid, or when no other method of purchase is practical or possible.

Required Documentation

- Purchase Order:
 - Signature of authorized personnel designated and approved by the board to sign.
 - Business purpose.
 - Not to exceed amount.
 - Open purchase order may indicate what cannot be purchased (i.e., equipment, etc.).
- Receipts/invoice:
 - Itemized.
 - Signed by authorized district personnel.
- Receiving documentation.
 - Authorized signature as indicated on open purchase order.

Audit Procedures

- Audit open purchase order for the following attributes:
 - Signature is board authorized.
 - Legal expenditure.
 - School district name on purchase order.
 - Vendor name.
 - Account code.
 - Modifications to the purchase order need to be approved (increases in amount, rates, terms) based on district policy.
- Audit receipt/invoice for the following attributes:
 - Vendor on receipt/invoice agrees to purchase order.
 - The receipt/invoice is itemized as applicable.
 - 1. Description.
 - 2. Quantity.
 - 3. Unit (i.e., item, hours, etc.).
 - 4. Unit price.
 - Receipt/invoice adds to amount being paid.
 - Date of receipt/invoice should be after the authorization of the open purchase order.
 - Purchase order number is listed (if applicable).
 - District personnel signatures as authorized on open purchase order.
 - Payment is legally pursuant to Education Code and/or County Counsel opinion.
- Audit of Receiving Documentation:
 - Items received are verified by date received and signed for by authorized personnel.

Instructional Materials - Gratis

Background

School Districts may receive gratis instructional materials from publishers for purchasing their items. EC Section 60061 allows for publishers to give away free instructional materials; EC Section 60010 defines instructional materials. Education code prohibits offering items other than instructional materials and specific technology based materials on the gratis list.

EC Section 60010 defines instructional materials and also defines technology-based materials:

“Technology-based materials” means those basic or supplemental instructional materials that are designed for use by pupils and teachers as learning resources and that require the availability of electronic equipment in order to be used as a learning resource. Technology-based materials include, but are not limited to, software programs, video disks, compact disks, optical disks, video and audio tapes, lesson plans, and data bases. Technology-based materials do not include the equipment required to make use of those materials.

Per the Department of Education in their September 12, 2006 letter, this definition of technology-based materials has been in place since 1995 and does not include equipment such as DVD players, televisions, LCD projectors, laptop computers, and scanners. School officials also have responsibilities under EC Section 60072 which states: “No school official shall accept any emolument, money or other valuable thing, or any inducement to directly or indirectly introduce, recommend, vote for, or otherwise influence the adoption or purchase of any instructional material.”

Per School Services of California, Inc., this statutory prohibition applies to all publishers of instructional materials, not just those publishers with materials on the state adoption list, which includes only instructional materials for grades K-8. Since the State Board of Education is responsible for approving the instructional materials for those grade levels, the letter was sent to publishers of K-8 instructional materials. Because the responsibility for approving instructional materials for grades 9-12 falls under the local governing board, the Department of Education notified districts of the prohibition in Education Code 60072.

Required Documentation

- Purchase Order:
 - Signature of authorized personnel designated and approved by the Board to sign.
 - Identify materials ordered.
 - Unit price/quantity.
- Invoice:
 - Itemized.
 - Original copy or certification of original on copy, signed by district personnel.
- Receiving Documentation:
 - Any signature indicating receipt of goods and date received.

Audit Procedures

- Audit purchase order, invoice and receiving documentation following general audit procedures. In addition:
 - Review invoice for gratis items; items with zero price or credit notation on invoice.
- Verify gratis items are instructional materials as defined in education code and that they are not equipment items or items of value per education code definition.

Field Trips

Background

In accordance with Education Code 35330, governing boards and county superintendent of schools may conduct field trips or excursions in connection with the instructional program or school-related activities to and from places in the state, any other state, the District of Columbia or a foreign country.

In conducting field trips and excursions, governing boards or county superintendent may:

- Engage instructors or supervisors and provide equipment and supplies.
- Transport by use of district equipment, contract to provide transportation, or arrange transportation by the use of other equipment, of pupils and instructors or supervisors to and from places in the state, any other state, the District of Columbia, or a foreign county, where the field trip or excursion is conducted, provided that adequate liability insurance is secured.
- Provide supervision of pupils by certificated employees of the district.

In conducting field trips and excursions, governing boards may not:

- Prevent any pupil from making the field trip or excursion because of lack of sufficient funds.
- Authorize any group to take a field trip or excursion if any pupil who is a member of the group will be excluded from participation because of lack of sufficient funds.
- Use school funds to pay the expenses of pupils participating in a field trip or excursion to another state, the District of Columbia, or a foreign county. School funds may be used for expenses of instructors, chaperones, and other personnel participating in the field trip or excursion and for “incidental expenses for the use of the school district equipment.”

The governing board of any school district may contract for the transportation of pupils (EC 39860) attending schools within the district to and from any exposition or fair, school activities, or other activities which the governing board determines to be for the benefit of the pupils in this state, and may pay for the transportation out of any funds of the district available for the purpose.

Required Documentation

- Board approval.
- Purchase Order.
- Invoices and itemized receipts.

Audit Procedures

- Audit the documentation following the general audit procedures. In addition:
 - Review the documentation to ensure that school district funds were not used to pay the expenses of pupils traveling to another state, the District of Columbia, or a foreign county.

Utilities & Telephone

Background

District utility payments are included in the random audit selection. In order to expedite the audit of utilities such as electricity, gas, waste management and telephone, the invoice page with the total amount due is required for backup; additional detailed pages of the invoice are not required.

Required Documentation

- Purchase Order.
- Invoice page showing total amount due.

Audit Procedures

- Audit the documentation following the general audit procedures. In addition:
 - Invoice total page must match the amount being paid.
 - The school district name or school district site name appears on the invoice.

Employee Benefits

Background

Employee benefit payments are included in the random audit selection. In order to expedite the audit of employee benefits such as health insurance, dental insurance and vision insurance, the invoice summary page showing the total amount due is required for backup; additional detailed pages of the invoice are not required.

If the payment is part of the Galaxy Financial Health and Welfare Benefits System, a copy of the Galaxy print out is accepted as back up for the payment.

Required Documentation

- Purchase Order if payment outside of Galaxy Financial System.
- Invoice page showing total amount due.

If payment is part of Galaxy Financial Health and Welfare System:

- Galaxy print out showing the billing group cost total.

Audit Procedures

- Audit the documentation following the general audit procedures. In addition:
 - Invoice total page must match the amount being paid.
 - The school district name or school district site name appears on the invoice.
 - Galaxy billing group cost totals must match the payment amount.

Social Security Numbers

For security and privacy reasons, districts should block out social security numbers before sending back up to District Fiscal Services.

Gift Cards

Background

In an effort to spend down open purchase orders, district personnel may request gift cards in lieu of individual items. Following is a list of issues with the purchase of gift cards on open purchase orders:

- Difficulty in obtaining itemized receipts for items purchased with the gift card.
- Difficulty in verifying itemized receipts tie into the gift card purchased.
- Verification that items are legal expenditures pursuant to Education Code is done after the items have been purchased.
- If items are found to be inappropriate, repayment to the district is required.
- Lack of control over items purchased.
- Lack of prior approval.
- Payment to the vendor is made in advance of the actual purchase of items.

Due to the above, it is recommended that districts incorporate into their open purchase order policies regulations that prohibit the purchase of gift cards and print on the open purchase orders that gift cards are not permitted to be purchased (please note that this does not relate to the purchase of gift cards for student incentives).

- Purchase Order:
 - Signature of authorized personnel designated and approved by the Board to sign.
 - Business purpose.
 - Not to exceed amount of open purchase order.
- Receipts/Invoice:
 - Itemized.
 - Signed by authorized district personnel.
- Receiving Documentation:
 - Authorized signature as indicated on open purchase order.

Audit Procedures

- Audit purchase order, invoice and receiving documentation following general audit procedures. In addition:
 - Review invoice for gift card purchases.
 - The recommendation above does not apply if the gift cards were purchased for student incentives.

Childcare Audits - Riverside County Office of Education

Background

Riverside County Office of Education (RCOE) has multiple contracts that provide childcare services in Riverside County.

Required Documentation

- Voucher History Detail by Provider.
- Daily Sign-in/Sign-out Record.
- Child Care Certificate.
- Provider Rate Sheet.
- Provider Agreement.
- Provider Holiday/Vacation/Closure Days.
- Regional Market Rates by County.

Audit Procedures

- Review the Voucher History Detail by Provider for the following:
 - Total amount matches warrant.
 - The provider name and APID number match the name and Vendor number on the warrant information.
 - The rate paid matches the rate as determined in V below.
 - The hours, weeks or months paid agree with the care authorized by the Child Care Certificate.
- Review the provider agreement for the following:
 - Correct period.
 - Signed by provider and authorized Children Services Unit staff.
- Review the Daily Sign-in/Sign-out Record:
 - Provider Holiday/Vacation/Closure days do not exceed 10 per year and match days claimed on daily Sign-in/Sign-out record.
 - The record is signed by both the parent and provider.
 - The record is initialed by the authorized Children Services Unit Staff.
 - The month of care matches the month on the Voucher History.
 - The provider and child match the Voucher History.
- Family Fees:
 - Rate on the Voucher History matches the Child Care Certificate.
 - The number of days charged on the Voucher History matches the number of days or care paid less provider closures.
- Rate paid is the lower of the following:
 - Regional Market Rate based on the County as shown on the Child Care Certificate.
 - Based on provider type.
 - Full or part time care.
 - Age of Child.
 - Adjustment factor for evenings and/or weekends or for children with exceptional needs.
 - Provider's rate sheet.
 - Provider's billing as shown on the Daily Sign-in/Sign-out record.

Commercial Warrant Order List Approval

COMMERICAL WARRANT ORDER LIST APPROVAL

E.C. 42630-42636

We the undersigned, as members of/authorized agent for, the governing board of the
of RIVERSIDE COUNTY, California by

Signature hereto, approve each, every, and all of the attached order(s).

From:

To:

Number(s)

Excluding:

in the total of

as proper legal charges against the funds of the District as indicated above.

The undersigned certifies that all orders have been processed by the School District in accordance with the School District's system of internal controls and currently accepted audit guidelines for the expenditures of the School District funds.

Date:

Governing Board Member/Authorized Agent

Governing Board Member

Governing Board Member

County Office Use Only:

Reviewed and Audited by:

Reviewer's Name

Date

Examined Approved and Allowed
Kenneth M. Young
Riverside County Superintendent of Schools

Deputy

Wire Transfers Out

Background

A wire transfer payment requires specific action and approval by the district board because it circumvents normal procedures and internal controls.

Required Documentation

Required documentation to be submitted with the wire transfer request:

- Copy of board resolution/approval authorizing the wire transfer payments.
- Reason for wire transfer.
- The dollar amount; and funding line.
- The wire transfer instructions and date the wire should be received by the financial institution.
- Attach the original invoice that has been reviewed and approved by personnel authorized to approve commercial warrants.

[Wire transfer request forms](#) are available on the RCOE website.

- Click on the link “Form 3321T - Wire Transfer Request”

Wire Transfer Requests and required documentation must be sent to District Fiscal Services at least five days prior to the due date in order to meet the county treasurer’s timeline requirements. Board resolutions must be in place prior to payments being processed.

Automated Clearing House (ACH) Payment Request

Background

An ACH payment requires specific action and approval by the district board because it circumvents normal procedures and internal controls.

Required Documentation

Documentation to be submitted with the wire transfer request:

- Copy of board resolution/approval authorizing the ACH payments.
- Reason for the ACH payment.
- The dollar amount; and funding line.
- The ACH payment instructions and date the ACH should be received by the financial institution.
- Attach the original invoice that has been reviewed and approved by personnel authorized to approve commercial warrants.

[Wire transfer request forms](#) are available on the RCOE website:

- Click on the link “Automated Clearing House Payment Request”

ACH Requests and required documentation must be sent to District Fiscal Services at least five days prior to the due date in order to meet the county treasurer’s timeline requirements. Board resolutions must be in place prior to payments being processed.

Note: an ACH Payment takes 48 hours for the settlement to occur. Please plan accordingly and send the payment a day early.

Stale Dated Warrants

Galaxy automatically stale dates commercial warrants that are in an unpaid status 186 days from the date of issuance. The accounting entry is:

K-12 01/03 000 0800 0 0000 0000 8699

Community Colleges 11 000 0800 0 0000 0000 8890

Stop – Reissue Warrants

Background

The need to stop and reissue may result when a warrant is:

- Lost.
- Stolen.
- Destroyed.

Stop-Reissue Process

The Declaration for Replacement of Lost or Destroyed Warrant form is to be completed and signed by the legal owner of the warrant or custodian of the warrant. A district-authorized commercial warrant approver must also sign the form.

District Fiscal Services will change the warrant status from “unpaid” to “stop” in Galaxy and in Union Bank’s on-line system. District Fiscal Services will initiate the replacement warrant through Galaxy. There are no accounting entries in Galaxy posted for stop payments/reissued warrants.

Warrants that are stopped and reissued are reissued with same vendor and dollar amount as the original warrant.

Forged Warrants

Background

Occasionally, districts may receive requests from vendors to investigate and retrieve funds due to them because they suspect a warrant was endorsed by someone other than themselves.

Required Documentation

- An affidavit Concerning Forgery of Endorsement form must be completed by the vendor and returned to the district.
- The vendor must have the affidavit notarized.
- The district must submit the form to District Fiscal Services as soon as possible with a photocopy of the warrant.
- The district must also note the funding line to be used to return the funds if they are recovered.

Audit Procedures

District Fiscal Services will submit the form to Union Bank for investigation.

Note: The bank cannot investigate any warrant if the issue date is beyond one year.

Affidavit Concerning Forgery Of Endorsement Form

AFFIDAVIT CONCERNING FORGERY OF ENDORSEMENT

State of California }
County of Riverside } ss.:

I, _____, residing at _____,
_____, being duly sworn say that I have not received County of
Riverside Auditor's warrant number _____, dated _____,
For \$ _____ made payable to me.

I further state that I have not endorsed the above described warrant and that the endorsement of my name on the reverse of same was not placed there by me and is a forgery; that I have viewed a certified copy (copy shows front and back) of the above described warrant and the signature (endorsement) thereon was not placed there by me and is a forgery; that I have not received any part of the money, nor any benefits from said warrant, nor have I authorized anyone to endorse said warrant and receive the money or same for me, nor have I ratified said endorsement.

This affidavit is made for the purpose of recovering and receiving from the Treasurer of the County of Riverside the sum of \$ _____ due me on said warrant.

Executed at _____, _____, on _____.
(date)

Signed: _____
Name Printed: _____
Mailing Address: _____

Subscribed and sworn to before me this _____
day of _____, 20 _____

County Official in and for the County of Riverside,
State of California Notary Public

CAUTION, PENAL CODE SECTION 72, PROVIDES AS FOLLOWS:

Every person who, with intent to defraud, presents for allowance or for payment to any state board or officer, or to any county, city or district board of officer, authorized to allow or pay the same in genuine, punishable either by imprisonment in the county jail for a period of not more than one year, by a fine of not exceeding one thousand dollars (\$1,000), or by both such imprisonment and fine, or by imprisonment in the state prison for a period of not more that five years, by a fine of not exceeding ten thousand dollars (\$10,000), or by both imprisonment and fine.

California Education Codes

- 32435.** (a) No school district, county board of education, or county superintendent of schools shall expend any public funds on the purchase of alcoholic beverages. (b) If an employee of a school district or county educational agency requests and is erroneously granted a reimbursement for the purchase of alcoholic beverages in violation of subdivision (a) of this section, the employee may refund the reimbursement.
- 35161.** The governing board of any school district may execute any powers delegated by law to it or to the district of which it is the governing board, and shall discharge any duty imposed by law upon it or upon the district of which it is the governing board, and may delegate to an officer or employee of the district any of those powers or duties. The governing board, however, retains ultimate responsibility over the performance of those powers or duties so delegated.
- 35172.** The governing board of any school district may: (a) Conduct studies through research and investigation as are determined by it to be required in connection with the present and future management, conditions, needs, and financial support of the schools; or join with other school district governing boards in the conduct of such studies. (b) Install and maintain exhibits of educational programs and activities of the school district at any county fair held in the county in which the district is located in whole or in part, or at any agricultural district fair held in the county in which the school district is located in whole or in part. (c) Inform and make known to the citizens of the district, the educational programs and activities of the schools therein. (d) Subscribe for membership for any school under its jurisdiction in any society, association, or organization, which has for its purpose the promotion and advancement of public or private education. (e) Subscribe for membership in, or otherwise become a member of, any national, state or local organization of governing boards of school districts or members thereof which has for its purposes the promotion and advancement of public education through research and investigation, and the cooperation with persons and associations whose interests and purposes are the betterment of the educational opportunities of the children of the state. (f) Select a member or members of the board to attend meetings of any society, association, or organization for which the school district has subscribed for membership, or any convention to which it may pay the expenses of any employee.
- 35330.** The governing board of any school district or the county superintendent of schools of any county may: (a) Conduct field trips or excursions in connection with courses of instruction or school-related social, educational, cultural, athletic, or school band activities to and from places in the state, any other state, the District of Columbia, or a foreign county for pupils enrolled in elementary or secondary schools. A field trip or excursion to and from a foreign county may be permitted to familiarize students with the language, history, geography, natural sciences, and other studies relative to the district's course of study for such pupils. (b) Engage such instructors, supervisors, and other personnel as desire to contribute their services over and above the normal period for which they are employed by the district, if necessary, and provide equipment and supplies for such field trip or excursion. (c) Transport by use of district equipment, contract to provide transportation, or arrange transportation by the use of other equipment, of pupils, instructors, supervisors or other personnel to and from places in the state, any other state, the District of Columbia, or a foreign county where such excursions and field trips are being conducted; provided that, when district equipment is used, the governing board shall secure liability insurance, and if travel is to and from a foreign county, such liability insurance shall be secured from a carrier licensed to transact insurance business in such foreign county. (d) Provide supervision of pupils involved in field trips or excursions by certificated employees of the district. No pupil shall be prevented from making the field trip or excursion because of lack of sufficient funds. To this end, the governing board shall coordinate efforts of community service groups to supply funds for pupils in need of them. No group shall be authorized to take a field trip or excursion authorized by this section if any pupil who is a member of such an identifiable group will be excluded from participation in the field trip or excursion because of lack of sufficient funds. No expenses of pupils participating in a field trip or excursion to any other state, the District of Columbia, or a foreign county authorized by this section shall be paid with school district funds. Expenses of instructors, chaperones, and other personnel participating in a field trip or excursion authorized by this section may be paid from school district funds, and the school district may pay from school district funds all incidental expenses for the use of school district equipment during a field trip or excursion authorized by this section. The attendance or participation of a pupil in a field trip or excursion authorized by this section shall be considered attendance for the purpose of crediting attendance for apportionments from the State School Fund in the

fiscal year. Credited attendance resulting from such field trip or excursion shall be limited to the amount of attendance which would have accrued had the students not been engaged in the field trip or excursion. Credited attendance shall not exceed 10 schooldays except in the case of pupils participating in a field trip or excursion in connection with courses of instruction, or school-related educational activities, and which are not social, cultural, athletic or school band activities. All persons making the field trip or excursion shall be deemed to have waived all claims against the district of the State of California for injury, accident, illness, or death occurring during or by reason of the field trip or excursion. All adults taking out-of-state field trips or excursions and all parents or guardians of pupils taking out-of-state field trips or excursions shall sign a statement waiving such claims. No transportation allowances shall be made by the Superintendent of Public Instruction for expenses incurred with respect to field trips or excursions which have an out-of-state destination. Any school district which transports pupils, teachers or other employees of the district in schoolbuses within the state and to destinations within the state, pursuant to the provisions of this section, shall report to the Superintendent of Public Instruction on forms prescribed by him the total mileage of schoolbuses used in connection with such educational excursions. In computing the allowance to such school district for regular transportation there shall be deducted therefrom an amount equal to the depreciation of schoolbuses used for such transportation in accordance with rules and regulations adopted by the Superintendent of Public Instruction.

- 39860.** The governing board of any school district may contract for the transportation of pupils attending schools within the district to and from any exposition or fair, school activities, or other activities which the governing board determines to be for the benefit of the pupils, in this state, and may pay for the transportation out of any funds of the district available for the purpose.
- 42630.** Except as otherwise provided in this code, money shall be paid from the funds of any school district for the payment of the expenses of the district, only as provided in this article.
- 42631.** All payments from the funds of a school district shall be made by written order of the governing board of the district. Orders shall be on forms prescribed by the county superintendent of schools unless the warrants are processed by an on-line data processing system. Forms may be printed and furnished by the board of supervisors or the county superintendent of schools.
- 42632.** Each order drawn on the funds of a school district shall be signed by at least a majority of the members of the governing board of the district, or by a person or persons authorized by the governing board to sign orders in its name. No person other than an officer or employee of the district shall be authorized to sign orders.
- 42633.** The governing board of each school district shall be responsible for filing or causing to be filed with the county superintendent of schools the verified signature of each person, including members of the governing board, authorized to sign orders in its name. Except for districts determined to be fiscally accountable pursuant to Section 42650, no order on the funds of any school district shall be approved by the county superintendent of schools unless the signatures are on file in his office and he is satisfied that the signatures on the order are those of persons authorized to sign the order.
- 42634.** Each order drawn against the funds of a school district shall be numbered and shall state: (a) the particular fund or funds of the district against which it is drawn, (b) the amount of the payment to be made from each fund, and (c) the rate of salary and the period of service of any employee of the district for whom an order is issued for payment of salary or wages. If drawn for any purpose other than the payment of salaries or wages of school district employees, the order shall be accompanied by an itemized bill showing the separate items and the price of each. Notwithstanding that requirement, if the county superintendent of schools determines that including an itemized bill with the order is impractical under the system of payment utilized, the itemized bill showing the separate items and the price of each shall instead be retained by the school district and shall be available for audit as directed by the county auditor.
- 42636.** (a) The county superintendent of schools may examine each order on school district funds transmitted to him or her, in the order in which it is received in his or her office. If it appears that the order is properly drawn for the payment of legally authorized expenses against the proper funds of the district, and that

there are sufficient moneys in the fund or funds against which the order is drawn to pay it, the county superintendent shall endorse upon it "examined and approved," and shall, in attestation thereof, affix his or her signature and number and date the requisition and transmit it directly to the county auditor, in the order in which the order is received in his or her office. The county superintendent may prescribe alternative methods for districts determined to be fiscally accountable pursuant to Section 42650. (b) Notwithstanding subdivision (a), the county superintendent may allow electronic transfers, upon approval of the county auditor.

- 42800.** (a) The governing board of any school district may, with the consent of the county superintendent of schools, establish a revolving cash fund for the use of the chief accounting officer of the district, by adopting a resolution setting forth the necessity for the revolving cash fund, the officer for whom and the purposes for which the revolving cash fund shall be available, and the amount of the fund. The purposes for which the revolving cash fund shall be available shall include the purposes specified in Section 45167. Three certified copies of the resolution shall be transmitted to the county superintendent of schools. If he approves the establishment of the fund, the county superintendent shall endorse his consent on the resolution and return one copy to the governing body of the district, and transmit one copy to the county auditor. (b) The maximum amount allowed for revolving cash funds established pursuant to subdivision (a) shall be the lesser of: (1) Two percent of the district's estimated expenditures for the current fiscal year, or (2) A dollar amount limit of seventy-five thousand dollars (\$75,000) for any elementary school or high school district and one hundred fifty thousand dollars (\$150,000) for any unified school district for fiscal year 1990-91. The dollar amount limit for each district shall thereafter be increased annually by the percentage increase in the district's revenue limit established by Section 42238.
- 42801.** (a) Except as otherwise provided in subdivision (b) of this section, the officer for whose use the revolving cash fund is created shall file with the governing body of the district a bond in favor of the district, executed by him as principal and by a surety company authorized under the laws of the state to execute bonds as surety, in an amount not less than double the amount of the revolving cash fund. The bond shall be conditioned upon the faithful administration of the revolving cash fund and upon the willingness and ability of the principal to account for and pay over the revolving cash fund at any time upon the demand of the governing board of the district. The premium on the bond shall be a legal charge against the district, payable from the funds of the district. (b) In lieu of the bond required by subdivision (a) of this section, an officer may be bonded as provided by Section 41021.
- 42801.5.** Notwithstanding the requirement to provide for indemnity bonds pursuant to Sections 42650 and 42801, the governing board of a school district may, in lieu thereof, insure against losses caused by an employee or an officer of a school district if the insurance gives the same or greater protection to the school district that a bond would provide in indemnifying the school district against any loss caused by the employee or officer of the district.
- 42803.** The governing board of the district shall draw an order, on the form and in the manner required by law for order, requisition, and warrant for the payment of school moneys, payable from the county or special fund of the district, in favor of the officer for whose use the revolving cash fund is created, for the amount of the revolving cash fund, and transmit the order to the county superintendent of schools accompanied by the bond and a certified copy of the resolution. Upon his approving the order, the county superintendent of schools shall detach and retain the bond. Upon his allowing and signing the warrant, the county auditor shall detach and retain the certified copy of the resolution and the county treasurer shall pay the warrant.

- 42804.** The person entrusted with the revolving fund shall not be authorized to expend any portion of the fund except for services or material, the securing or purchasing of which is a legal charge against the district, and no expenditure shall be made unless a receipt is obtained therefore setting forth the date and the purpose of the expenditure and the amount expended. The governing board of any school district may establish and account for the revolving fund in one or more banks. The account shall be known as "The Revolving Fund Account of (insert name of district) District" and shall be established in the custody of the officer for whose use the revolving cash fund is created who shall be responsible for the payment into the account or accounts of all moneys required to be reimbursed into the account or accounts, and for all expenditures there from, subject to such regulations as the governing board prescribes. A bill shall be presented to the district monthly, or oftener if necessary, for the reimbursement of the fund in the same manner as other bills are presented. Bills shall be supported by the receipts required. All sums received in payment of the bills shall be returned to the revolving cash fund or bank account or accounts and each person entrusted with the revolving cash fund shall, upon demand of the county superintendent of schools or the county auditor or of the governing board of the district, give an account of the fund.
- 44032.** The governing board of any school district shall provide for the payment of the actual and necessary expenses, including traveling expenses, of any employee of the district incurred in the course of performing services for the district, whether within or outside the district, under the direction of the governing board.
- 44843.** The county superintendent of schools shall be given immediate notice in writing by the governing board of the district of the employment of persons for positions requiring certification qualifications. The notice shall include but not be limited to such data as may be prescribed by the Superintendent of Public Instruction, in regulations he is herewith authorized to adopt.
- 60010.** For the purpose of this part, the following terms have the following meanings unless the context in which they appear clearly requires otherwise: (a) "Basic instructional materials" means instructional materials that are designed for use by pupils as a principal learning resource and that meet in organization and content the basic requirements of the intended course. (b) "Commission" means the Curriculum Development and Supplemental Materials Commission. (c) "Curriculum framework" means an outline of the components of a given course of study designed to provide state direction to school districts in the provision of instructional programs. (d) "District board" means the board of education or governing board of any county, city and county, city, or other district that has the duty to provide for the education of the children in its county, city and county, city, or district. (e) "Elementary school" means all public schools in which instruction is given through grade 8 or in any one or more of those grades. (f) "Governing boards" means the state board and any one or more district boards. (g) "High school" means all public schools other than elementary schools in which instruction is given through grade 12, or in any one or more of those grades. (h) "Instructional materials" means all materials that are designed for use by pupils and their teachers as a learning resource and help pupils to acquire facts, skills, or opinions or to develop cognitive processes. Instructional materials may be printed or nonprinted, and may include textbooks, technology-based materials, other educational materials, and tests. (9) "Nonpublic school" means a school that both satisfies the requirements of Section 48222, and is exempt from taxation under Section 214 of the Revenue and Taxation Code. (j) "School official" means any member of any governing board, any city, county, city and county, or district superintendent of schools, and any principal, teacher, or other employee under his or her charge. (k) "State board" means the State Board of Education. (l) "Supplementary instructional materials" means instructional materials designed to serve, but not be limited to, one or more of the following purposes, for a given subject, at a given grade level: (1) To provide more complete coverage of a subject or subjects included in a given course. (2) To provide for meeting the various learning ability levels of pupils in a given age group or grade level. (3) To provide for meeting the diverse educational needs of pupils with a language disability in a given age group or grade level. (4) To provide for meeting the diverse educational needs of pupils reflective of a condition of cultural pluralism. (m) "Technology-based materials" means those basic or supplemental instructional materials that are designed for use by pupils and teachers as learning resources and that require the availability of electronic equipment in order to be used as a learning resource. Technology-based materials include, but are not limited to, software programs, video disks, compact disks, optical disks, video and audio tapes, lesson plans, and data bases. Technology-based materials do not include the equipment required to make use of those materials. (n) "Test" means any device used to measure the knowledge or achievement of students.

- 60061.** (a) A publisher or manufacturer shall do all of the following: (1) Furnish the instructional materials offered by the publisher at a price in this state that, including all costs of transportation to that place, does not exceed the lowest price at which the publisher offers those instructional materials for adoption or sale to any state or school district in the United States. (2) Automatically reduce the price of those instructional materials to any governing board to the extent that reductions are made elsewhere in the United States. (3) Provide any instructional materials free of charge in this state to the same extent as that received by any state or school district in the United States. (4) Guarantee that all copies of any instructional materials sold in this state are at least equal in quality to the copies of those instructional materials that are sold elsewhere in the United States, and are kept revised, free from all errors, and up to date as may be required by the state board. (5) Not in any way, directly or indirectly, become associated or connected with any combination in restraint of trade in instructional materials, or enter into any understanding, agreement, or combination to control prices or restrict competition in the sale of instructional materials for use in this state. (6) Maintain a representative, office, or depository in the State of California or arrange with an independently owned and operated depository in the State of California to receive and fill orders for instructional materials. (7) Provide to the state, at no cost, computer files or other electronic versions of each state-adopted literary title and the right to transcribe, reproduce, modify, and distribute the material in Braille, large print if the publisher does not offer a large print edition, recordings, American Sign Language videos for the deaf, or other specialized accessible media exclusively for use by pupils with visual disabilities or other disabilities that prevent use of standard instructional materials. Computer files or other electronic versions of materials adopted shall be provided within 30 days of request by the state as needed for the purposes described in this subdivision as follows: (A) Computer files or other electronic versions of literary titles shall maintain the structural integrity of the standard instructional materials, be compatible with commonly used Braille translation and speech synthesis software, and include corrections and revisions as may be necessary. (B) Computer files or other electronic versions of nonliterary titles, including science and mathematics, shall be provided when technology is available to convert those materials to a format that maintains the structural integrity of the standard instructional materials and is compatible with Braille translation and speech synthesis software. (b) Upon the willful failure of the publisher or manufacturer to comply with the requirements of this section, the publisher or manufacturer shall be liable to the governing board in the amount of three times the total sum that the publisher or manufacturer was paid in excess of the price required under paragraphs (1), (2), and (5) of subdivision (a), and in the amount of three times the total value of the instructional materials and services that the governing board is entitled to receive free of charge under subdivision (a).
- 60071.** No publisher or manufacturer of instructional materials, nor any of his representatives, shall offer or give any emolument, money, or other valuable thing, or any inducement, to any school official to directly or indirectly introduce, recommend, vote for, or otherwise influence the adoption or purchase of any instructional material.
- 60072** No school official shall accept any emolument, money or other valuable thing, or any inducement to directly or indirectly introduce, recommend, vote for, or otherwise influence the adoption or purchase of any instructional material.
- 85232.** Each order drawn on the funds of a community college district shall be signed by at least a majority of the members of the governing board of the district, or by a person or persons authorized by the governing board to sign orders in its name. No person other than an officer or employee of the district shall be authorized to sign orders.
- 85233.** The governing board of each community college district shall be responsible for filing, or causing to be filed, with the county superintendent of schools the verified signature of each person, including members of the governing board, authorized to sign orders in its name. Except for districts determined to be fiscally accountable pursuant to Section 85266 and districts determined to be fiscally independent pursuant to Section 85266.5, no order on the funds of any district shall be approved by the county superintendent of schools unless the signatures are on file in the superintendent's office and he or she is satisfied that the signatures on the order are those of persons authorized to sign the order.
- 87032.** The governing board of a community college district shall provide for the payment of the actual and necessary expenses, including traveling expenses, of any employee of the district incurred in the course of performing services for the district, whether within or outside the district, under the direction of the

governing board. The board may authorize an advance of funds to cover such necessary expense. Such advance shall be repaid or adjusted upon filing of a regular claim for the actual and necessary expenses incurred. The governing board may direct any employee of the district to attend any convention or conference or to visit schools for the discussion or observation of any school matter appertaining to the duties of the employee or any question of interest to the district.

PUBLIC CONTRACT CODE

20111. (a) The governing board of any school district, in accordance with any requirement established by that governing board pursuant to subdivision (a) of Section 2000, shall let any contracts involving an expenditure of more than fifty thousand dollars (\$50,000) for any of the following: (1) The purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district. (2) Services, except construction services. (3) Repairs, including maintenance as defined in Section 20115, that are not a public project as defined in subdivision (c) of Section 22002. The contract shall be let to the lowest responsible bidder who shall give security as the board requires, or else reject all bids. (b) The governing board shall let any contract for a public project, as defined in subdivision (c) of Section 22002, involving an expenditure of fifteen thousand dollars (\$15,000) or more, to the lowest responsible bidder who shall give security as the board requires, or else reject all bids. All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security: (1) Cash. (2) A cashier's check made payable to the school district. (3) A certified check made payable to the school district. (4) A bidder's bond executed by an admitted surety insurer, made payable to the school district. Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the school district beyond 60 days from the time the award is made. (c) This section applies to all equipment, materials, or supplies, whether patented or otherwise, and to contracts awarded pursuant to subdivision (a) of Section 2000. This section shall not apply to professional services or advice, insurance services, or any other purchase or service otherwise exempt from this section, or to any work done by day labor or by force account pursuant to Section 20114. (d) Commencing January 1, 1997, the Superintendent of Public Instruction shall annually adjust the dollar amounts specified in subdivision (a) to reflect the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the prior fiscal year. The annual adjustments shall be rounded to the nearest one hundred dollars (\$100).

20111.5. (a) The governing board of the district may require that each prospective bidder for a contract, as described under Section 20111, complete and submit to the district a standardized questionnaire and financial statement in a form specified by the district, including a complete statement of the prospective bidder's financial ability and experience in performing public works. The questionnaire and financial statement shall be verified under oath by the bidder in the manner in which civil pleadings in civil actions are verified. The questionnaires and financial statements shall not be public records and shall not be open to public inspection. (b) Any school district requiring prospective bidders to complete and submit questionnaires and financial statements, as described in subdivision (a), shall adopt and apply a uniform system of rating bidders on the basis of the completed questionnaires and financial statements, in order to determine the size of the contracts upon which each bidder shall be deemed qualified to bid. (c) Each prospective bidder on any contract described under Section 20111 shall be furnished by the school district letting the contract with a standardized proposal form that, when completed and executed, shall be submitted as his or her bid. Bids not presented on the forms so furnished shall be disregarded. (d) A proposal form required pursuant to subdivision (c) shall not be accepted from any person or other entity who is required to submit a completed questionnaire and financial statement for prequalification pursuant to subdivision (a), but has not done so at least five days prior to the date fixed for the public opening of sealed bids or has not been prequalified, pursuant to subdivision (b), for at least one day prior to that date. (e) Notwithstanding subdivision (d), any school district may establish a process for prequalifying prospective bidders pursuant to this section on a quarterly basis and may authorize that prequalification to be considered valid for up to one calendar year following the date of initial prequalification.

20112. For the purpose of securing bids the governing board of a school district shall publish at least once a week for two weeks in some newspaper of general circulation published in the district, or if there is no

such paper, then in some newspaper of general circulation, circulated in the county, and may post on the district's Web site or through an electronic portal, a notice calling for bids, stating the work to be done or materials or supplies to be furnished and the time when and the place and the Web site where bids will be opened. Whether or not bids are opened exactly at the time fixed in the public notice for opening bids, a bid shall not be received after that time. The governing board of the district may accept a bid that was submitted either electronically or on paper.

- 20113.** (a) In an emergency when any repairs, alterations, work, or improvement is necessary to any facility of public schools to permit the continuance of existing school classes, or to avoid danger to life or property, the board may, by unanimous vote, with the approval of the county superintendent of schools, do either of the following: (1) Make a contract in writing or otherwise on behalf of the district for the performance of labor and furnishing of materials or supplies for the purpose without advertising for or inviting bids. (2) Notwithstanding Section 20114, authorize the use of day labor or force account for the purpose. (b) Nothing in this section shall eliminate the need for any bonds or security otherwise required by law.
- 20114.** (a) In each school district, the governing board may make repairs, alterations, additions, or painting, repainting, or decorating upon school buildings, repair or build apparatus or equipment, make improvements on the school grounds, erect new buildings, and perform maintenance as defined in Section 20115 by day labor, or by force account, whenever the total number of hours on the job does not exceed 350 hours. Moreover, in any school district having an average daily attendance of 35,000 or greater, the governing board may, in addition, make repairs to school buildings, grounds, apparatus, or equipment, including painting or repainting, and perform maintenance, as defined in Section 20115, by day labor or by force account whenever the total number of hours on the job does not exceed 750 hours, or when the cost of material does not exceed twenty-one thousand dollars (\$21,000). (b) For purposes of this section, day labor shall include the use of maintenance personnel employed on a permanent or temporary basis.
- 20115.** For purposes of Section 20114, "maintenance" means routine, recurring, and usual work for the preservation, protection, and keeping of any publicly owned or publicly operated facility for its intended purposes in a safe and continually usable condition for which it was designed, improved, constructed, altered, or repaired. "Facility" means any plant, building, structure, ground facility, utility system, or real property. This definition of "maintenance" expressly includes, but is not limited to: carpentry, electrical, plumbing, glazing, and other craftwork designed consistent with the definition set forth above to preserve the facility in a safe, efficient, and continually usable condition for which it was intended, including repairs, cleaning, and other operations on machinery and other equipment permanently attached to the building or realty as fixtures. This definition does not include, among other types of work, janitorial or custodial services and protection of the sort provided by guards or other security forces. It is the intent of the Legislature that this definition does not include painting, repainting, or decorating other than touchup, but instead it is the intent of the Legislature that such activities be controlled directly by the provisions of Section 20114.
- 20116.** It shall be unlawful to split or separate into smaller work orders or projects any work, project, service, or purchase for the purpose of evading the provisions of this article requiring contracting after competitive bidding. The district shall maintain job orders or similar records indicating the total cost expended on each project in accordance with the procedures established in the most recent edition of the California School Accounting Manual for a period of not less than three years after completion of the project. Informal bidding may be used on work, projects, services, or purchases that cost up to the limits set forth in this article. For the purpose of securing informal bids, the board shall publish annually in a newspaper of general circulation published in the district, or if there is no such newspaper, then in some newspaper in general circulation in the county, a notice inviting contractors to register to be notified of future informal bidding projects. All contractors included on the informal bidding list shall be given notice of all informal bid projects in any manner as the district deems appropriate.
- 20117.** Notwithstanding any other provision of law, in the event there are two or more identical lowest or highest bids, as the case may be, submitted to a school district for the purchase, sale, or lease of real property, supplies, materials, equipment, services, bonds, or the awarding of any contract, pursuant to a

provision requiring competitive bidding, the governing board of any school district may determine by lot which bid shall be accepted.

- 20118.** Notwithstanding Sections 20111 and 20112, the governing board of any school district without advertising for bids, if the board has determined it to be in the best interests of the district, may authorize by contract, lease, requisition, or purchase order, any public corporation or agency, including any county, city, town, or district, to lease data-processing equipment, purchase materials, supplies, equipment, automotive vehicles, tractors, and other personal property for the district in the manner in which the public corporation or agency is authorized by law to make the leases or purchases. Upon receipt of any such personal property, provided the property complies with the specifications set forth in the contract, lease, requisition, or purchase order, the school district may draw a warrant in favor of the public corporation or agency for the amount of the approved invoice, including the reasonable costs to the public corporation or agency for furnishing the services incidental to the lease or purchase of the personal property.
- 20118.1.** The governing board of any school district may contract with an acceptable party who is one of the three lowest responsible bidders for the procurement or maintenance, or both, of electronic data-processing systems and supporting software in any manner the board deems appropriate.
- 20118.3.** The governing board of any school district may purchase supplementary textbooks, library books, educational films, audiovisual materials, test materials, workbooks, instructional computer software packages, or periodicals in any amount needed for the operation of the schools of the district without taking estimates or advertising for bids. This section shall become operative January 1, 1989, and is declaratory of existing law and practice.
- 20118.4.** If any change or alteration of a contract governed by the provisions of Article 3 (commencing with Section 39643) of Chapter 4 of Part 23 of the Education Code is ordered by the governing board of the district, the change or alteration shall be specified in writing and the cost agreed upon between the governing board and the contractor. The board may authorize the contractor to proceed with performance of the change or alteration without the formality of securing bids, if the cost so agreed upon does not exceed the greater of: (a) The amount specified in Section 20111 or 20114, whichever is applicable to the original contract; or (b) Ten percent of the original contract price. The governing board of any school district, or of two or more school districts governed by governing boards of identical personnel, having an average daily attendance of 400,000 or more as shown by the annual report of the county superintendent of schools for the preceding year, may also authorize any change or alteration of a contract for reconstruction or rehabilitation work other than for the construction of new buildings or other new structures, where the cost of the change or alteration is in excess of the limitations in subdivisions (a) and (b) but does not exceed 25 percent of the original contract price, without the formality of securing bids, when such change or alteration is a necessary and integral part of the work under the contract and the taking of bids would delay the completion of the contract. Changes exceeding 15 percent of the original contract price shall be approved by an affirmative vote of not less than 75 percent of the members of the governing board.