AP 6200  BUDGET PREPARATION

References:

Education Code Section 70902(b)(5);
Title 5 Sections 58300 et seq.;
ACCJC Accreditation Standard III.D

To maintain the fiscal stability of the District, the budget preparation process shall:

- Provide an annual budget that shall be prepared in conformance with the California Community College Budget and Accounting Manual, and in conformance with provisions of the Education Code.
- Provide for responsible stewardship of available resources.
- Provide for safeguarding and managing District assets to ensure ongoing effective operations; maintenance of adequate cash reserves; implementation and maintenance of effective internal controls; determination of sources of revenues prior to making short-term and long-term commitments; establishment of a plan for the repair and replacement of equipment and facilities.
- Provide for an organizational structure that incorporates a clear delineation of fiscal responsibilities and staff accountability.
- Provide that appropriate administrators keep the Board current on the fiscal condition of the District as an integral part of policy and decision-making.
- Provide for development and communication of fiscal policies, objectives and constraints to the board, staff and students.
- Provide for an adequate management information system that gives timely, accurate and reliable fiscal information for planning, decision making and budgetary control.
• Provide for appropriate fiscal policies and procedures and adequate controls to ensure that established fiscal objectives are met.

• Provide a process to evaluate significant changes in the fiscal environment and make necessary, timely, financial and educational adjustments.

• Provide both short term and long term goals and objectives, and broad based input coordinated with District educational planning.

The budget is a financial plan for the operation of the District for the fiscal year, developed in accordance with Board-adopted educational goals and objectives. The budget considers:

• Assumptions upon which the budget is based are presented to the Board for review.

• Total amounts budgeted as the proposed expenditure for each major classification of expenditures shall be the maximum expended for that classification for the school year, except as specifically authorized by the Board.

• Transfers made between expenditure classifications require written resolution of the Board, and must be approved by a majority of the members of the Board.

• Transfers made from the reserve or contingencies to any expenditure classification requires written resolution of the Board, and must be approved by a two-thirds vote of the members of the Board.

• Excess funds must be added to the general reserve of the District, and are not available for appropriation except by resolution of the Board setting forth the need according to major classification.

• The Tentative Budget shall be presented to the Board of Trustees no later than July 1 [Title 5, Section 58305(a)], and the Final Budget no later than September 15 [Title 5, Section 58305(c)]. A public hearing on the Final Budget shall be held on or before September 15 [Title 5, Section 58301]. Two copies of the adopted budget will be submitted to the California Community Colleges Chancellor’s Office on or before September 30.

To achieve and maintain fiscal stability and to dedicate resources to meet the objectives of strategic planning, the District will follow a plan that requires a balanced budget on a year-to-year basis. To achieve each of the standards of the plan, each year the District Council will develop a budget that results in steady progress toward achieving each of the requirements of these Fiscal Standards and that reflects the Board’s annual budget priorities to the greatest extent possible. While the development of the annual budget occurs through the participatory governance process, the Vice Chancellor, serving as the Chief Business Officer, is responsible for submitting a budget to the Chancellor that
complies with the requirements of this plan. The Chancellor is responsible for submitting a balanced budget to the Board for approval.

The annual District budget shall be prepared in conformance with the California Community College Budget and Accounting Manual, and in conformance with provisions of the Education Code. Revenues and expenses shall be projected as accurately as possible within the budget submitted to the Board. The following standards will be used in the development of the annual operating budget:

### Operating Budget Standards

- **Total Salaries and Benefits:** The goal for total employee salary and benefit costs should not exceed 80 percent of total expenditures. Salary and benefits costs may fluctuate depending on union contract settlements and increase in benefits costs. Permanent additions to staff levels will be made under the following conditions:
  - Increases in full time faculty personnel required by increased State funding.
  - Clear and imminent academic need where no reasonable alternative exists.
  - Additional staff that will result in an increase in FTES revenue.
  - Inability to obtain part time faculty within an academic discipline.
  - Workload demands resulting from growth and increased volume of work.
  - Enhancements to support services necessary to support development of instructional programs, student retention efforts or increased technology.

- **Compensation:** The goal for total compensation shall be above the median when compared to the Bay 10 districts.

- **Faculty Positions:** The District shall ensure compliance with AB 1725 pertaining to the full-time faculty obligation number (FON). The full time faculty goal is a faculty ratio of 75 percent full time compared to 25 percent part time as stated in AB 1725.

- **Classified Positions:** Classified employee positions are to be evaluated on a year-to-year basis to determine where employees are needed to support student success, the instructional and service programs or to enhance the working and learning environment. Support staffing levels are to be considered when evaluating changes to programs.

- **Administration Costs:** Salaries and benefits for administrative employees should be in the range of five to eight percent of expenditures.

### Revenue Standards

In a year when the District is State funded and is able to grow, the District shall actively pursue State funded growth revenue. Growth revenue is viewed as an essential element in obtaining the resources necessary to meet the Educational and Facilities Master Plan (E&FMP) goals of providing and increasing community access to each College's
educational services. The total growth revenue received by the District will be considered the maximum amount to be allocated in any given fiscal year.

Colleges, as appropriate, will provide community and contract education services to meet the needs of the community and to maximize non-State funding.

Community education courses and contract education courses shall be self-sufficient or revenue producing.

Categorical and grant revenue provided by State and local agencies for specific support purposes are to be pursued by each College and the District when these services are consistent with the objectives of the E&FMPs and are financially beneficial to the District.

Funding from the Mission-West Valley Land Corporation, the Advancement Foundation and the Colleges Foundation will also be sought to assist in providing funding for specific E&FMP projects.

One-time revenues will be used for one-time expenditures or to temporarily augment department budgets. One-time expenditures will not be used to establish on-going and recurring costs including leases, increases in permanent personnel or other types of expenditures that result in funding beyond the current budget year.

**Debt and Capital Lease Obligations Standards**

- Long term debt and annual capital lease obligations shall be incorporated in the annual budgeting process. The District shall have a long-term plan to address the long term debt.

- The District shall utilize the OPEB Trust Fund to manage the long-term liability for the retiree health benefits.

- Long term debt will be issued to obtain capital equipment or facilities for which State funds are unavailable or insufficient to meet the cost of these projects.

- Prior to financing any project, an assessment will be made to define how the project assists in meeting the goals of the E&FMP.

- Long-term debt will not be used to pay for operating fund deficits.

- Capital lease obligations will only be incurred for capital purchases in excess of $25,000 and will have a lease term of no longer than five years.

- Certificate of Participation issues will not exceed ten years.
The Vice Chancellor shall ensure proper internal controls are in place to ensure reasonable accuracy of accounting information, to safeguard assets from loss and to ensure operating policies and procedures are being followed.

As required by the California Community Colleges Budget and Accounting Manual, expenditures shall be recognized in the accounting period in which the liability is incurred, and shall be limited to the amount budgeted for each major classification of accounts and to the total amount of the budget for each.

**Capital Budget Standards**

- A five-year Capital Construction Plan will be prepared each year. The Plan will be developed based on facility needs identified in the Educational and Facilities Master Plans.

- At least every five years the District will evaluate its need to obtain the service of professionals to develop capital projects.

- A construction management firm will be used as a project manager whenever there is new construction work in excess of $1 million per project.

- Every five years the Facility Master Plan will be reviewed for possible revision.

**Review of Standards**

Each year the Board will review the fiscal standards to determine the appropriateness of application of the standards. If the financial situation warrants a deviation from the parameters established in the budget guidelines, the Chancellor will seek authorization by a two-thirds positive vote of the Board to waive certain provisions of this policy for any specific fiscal year.

Also see AP 6250 titled Budget Management and BP 6300 titled Fiscal Management

**Date Approved: April 11, 2016**
AP 6240  ALLOCATION OF COMMUNITY SUPPORT FUNDS

References:

Per Board Policy 6240 and under the authority of the Chancellor, this procedure sets forth the procedures by which Community Support Fund allocation proposals are forwarded to the Board of Trustees.

1. Membership for the Fiscal Workgroup:
   a. The Fiscal Workgroup is a sub-committee of District Council, composed of a membership determined by District Council. The membership shall include representation from the Classified Senate Presidents or their designee, the Classified Union, Academic Senate Presidents or their designee, the Faculty Union, college Vice Presidents of Administrative Services, Executive Director of Financial Services, and the Vice Chancellor of Administrative Services. The role of this committee is to make recommendations regarding fiscal affairs to the District Council for consideration and presentation to the Chancellor per Board Policy 6240.
   b. The co-chairs of this committee shall be a Vice President of Administrative Services and the Executive Director of Financial Services or Vice Chancellor of Administrative Services.

2. Determination of Community Support Fund (CSF) and Potential Allocation Amounts:
   a. The Vice Chancellor of Administrative Services, using reasonable estimations, shall be responsible to determine the projected local property taxes, student fees, and other local revenues applicable to the District’s “Total Computational Revenue.” The Vice Chancellor shall also be responsible for providing a 5 year CSF ending fund balance forecast to the committee at least twice a year (Tentative and Final Budget) to assists with determining the allocation process. The 5 year forecast shall take into account:
      i. Long-term debt and liabilities
      ii. On-going expenditures such as COLA and step increases
      iii. Funding to balance the budget
   b. Based upon the Vice Chancellor’s estimates, any Community Support Funds will be held in the Community Support Fund Reserve. This fund reserve will

---

1 Community Support Funds refer to the amount of general fund revenues, consisting of the total of proceeds from property taxes, student enrollment fees, and other revenues defined by statute, that exceed the California Community College Chancellor’s Office calculation of the district’s total entitlement based upon Full-Time Equivalent Students (FTES), infrastructure factors, and other factors (“Total Computational Revenue” or “SB 361 calculation”).

2 Per Board Policy 6240
include any remaining unallocated balance from prior years’ Community Support Fund Reserves.

c. To ensure current and future fiscal stability, the Fiscal Workgroup may recommend an amount no greater than the net amount of Community Support Funds available at year 5 in the forecast provided by the Vice Chancellor. The lesser of the current year or year five balance shall be used as the allocation limit. The Committee may recommend an allocation totaling less than the net available Community Support Funds.

3. Annual Planning Cycle and Timeline:
   a. The intent of this procedure is to develop a master list of proposals to be funded through Community Support Funds. The planning cycle will conform to the District’s overall budget development cycle, with Community Support Fund allocation proposals being included in the tentative and final budgets presented to and approved by the Board of Trustees.

4. Community Support Fund Allocation Proposals:
   a. Per Board Policy 6240, District and college planning documents and supporting data will form the basis for allocations. The documents shall include college and District participatory processes. These supporting documents should include, but are not limited to, the following:
      i. District and College Mission Statements, Strategic Planning, and Educational and Facilities Master Plans
      ii. District Council’s annual goals
      iii. District and College annual goals
      iv. Special goals identified by the Board of Trustees, Chancellor, or College Presidents
   b. Duration of funding:
      i. Proposals for Community Support Funding may be short-term, within the current fiscal year, or long-term:
         1. Proposals for “one-time” allocation of funding may extend for a period not to exceed three years without specific annual review by the Community Support Fund Allocation Committee. Any funds remaining at the conclusion of a Community Support funded proposal will be returned to the Community Support Fund Reserve.
         2. Proposals of a “continuing” nature may obligate the Community Support Fund on a recurring annual basis until one of the following actions occur:
            a. The need for continuing funding is eliminated
            b. The funding source is available from general fund or other, non-Community Support Fund, sources.
   c. Limitations of Community Support Fund Proposals:
      i. Generally, Community Support Fund Proposals are unrestricted but with certain exceptions, as noted below.
      ii. Community Support Fund Proposals should not include requests for funding for:
         1. Specific long-term personnel positions. However, Community Support Fund Proposals may include adjustments to employee
compensation to be added to the salary scale or benefits for all employees with a bargaining group or similar personnel structure.

2. Capital construction projects, major renovation, infrastructure, or site development projects identified as a part of a bond-funded project and/or not identified as a part of the Education and Facilities Master Plan.

3. On-going maintenance expenses, continuing licenses for technology, or other similar routine costs of operation.

iii. Changes, enhancements, or added features to approved projects exceeding previously allocated funding for the project require a separate proposal and cannot be funded through the original project allocation.

5. Annual Evaluation of Community Support Fund Allocation Process:
   a. The Fiscal Workgroup will be responsible for an annual, open, and transparent evaluation of each Community Support Fund proposal for effectiveness and adherence to Board Policy. The Committee will prepare a list of Community Support Fund proposals recommended for funding and present to District Council for review. District Council will disseminate the committee’s list of proposals to all constituent groups for consultation prior to approval.
   b. Based upon the committee’s evaluation of the Community Support Fund Allocation Process, recommended improvements or adjustments to the allocation process, procedures, and board policy will be disseminated to all constituent groups for consultation prior to recommendation to District Council.

Date Approved: August 7, 2019
AP 6250  BUDGET MANAGEMENT

Reference:

All units of the District shall operate within the allocations of the current budget. The Chancellor has overall responsibility for management of the District's budget. The Vice Chancellor is responsible for the general management of the budgeting, budget controls, and the accounting programs of the District. College administrative responsibilities include: adherence to guidelines established by the District Administrative Services Office; compliance with time deadlines; and following generally accepted accounting principles.

The approved annual budget will be monitored and managed to ensure actual performance is consistent with the budget and that corrective action will occur as necessary in accordance with these policies and as provided by law.

Monitor and Enhance Revenue Management
Locally generated revenues such as interest income, property taxes, non-resident tuition and other miscellaneous sources of funds will be monitored throughout the year to ensure the actuals are on track with projected revenues.

Monitor Expenditures and Seek Opportunities to Reduce Expenditures
The Board grants spending authorization through adoption of the Final Budget. The Vice President of Administrative Services at each college shall review expense accounts throughout the year and realign budget accordingly. The Vice Chancellor shall periodically review districtwide department accounts to ensure overall expenditures do not exceed the total budgeted expenditures.

Transfers from the contingency reserve to any expenditure classification must be approved by a majority vote of the members of the Board. Transfers between major expenditure classifications must be approved by a majority vote of the members of the Board.

All budget transfers shall be approved by the budget administrators, Vice President of Administrative Services and the Executive Director of Financial Services or designee at the District level. The District is responsible for preparing the report for all budget adjustment between major account codes for board approval on a quarterly basis.
The Vice Chancellor shall utilize the Associate Faculty Funding Model to allocate funding for part-time faculty and special reassigned time. This model is driven by the FTES goals, weekly student contact hours (WSCH), and the part-time faculty funding rate. The Vice Chancellor shall utilize the Resource Allocation Model (RAM) to allocate District wide resources to support the integrated processes of strategic planning, Educational Master Planning, Accreditation and Program Review. Refer to AP 6240 for Community Support Funds Allocation procedure.

Prior to the Tentative/Final Budget, the Vice Chancellor will implement the following process to allocate the funds among the District Administrative Services Departments:

- District Finance staff will work with the Administrative Services Managers to augment existing budget.
- The Department Budget Manager or the Finance Office shall present their budget proposal for consideration.
- The Vice Chancellor will review the proposals and allocate the augmentation based on proposals that best fit the stated Board Budget Priorities.
- The recipients of the augmentation will provide line item detail for their augmentation to the District Finance Office.
- The Finance Office will process the line item detail per the established process.

The Vice Presidents of Administrative Services at the colleges shall facilitate the allocation of funds through processes established at each college.

The Fixed Cost work group, under the direction of the Vice Chancellor, meets bi-annually for the preparation of the Tentative and Final Budget. Membership shall include, but is not limited to the Vice Chancellor of Administrative Services, Vice President of Administrative Services at each college, and the Executive Director of Financial Services.

Departmental managers who seek increases/decreases to currently funded fixed cost items or manager’s seeking funding for items which they believe fit the fixed cost definition, must contact the Vice President of Administrative Services at the college, or the Executive Director of Financial Services at the District.

Requests for one-time funding from the Undesignated Fund Balance must be presented to the Vice Chancellor. The Vice Chancellor will determine if the request should be funded. If approved, the requested amount will be presented to the Board as part of the quarterly financial report.

Allocation of the Unassigned Fund Balance is valid for the fiscal year when funding is granted. Unspent monies revert to the Unassigned Fund Balance at year end, unless otherwise stated.
• Budgeting
The annual Adopted Budget shall include a budget for each account identifying projected revenues and expenditures. Projected revenues shall be based on the latest information available. Projected expenditures shall be based on projected revenues which may include the use of the actual accumulated fund balance.

• Reporting
The District shall periodically report information to the Board of Trustees regarding the financial and budgetary condition of the District for all funds. The report shall include a comparison of budget to actual amounts. It shall be produced in accordance with Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB) and the California Community College’s Budget and Accounting Manual.

Budget Calendar
The Executive Director of Financial Services, in collaboration with the college Vice Presidents of Administrative Services, prepares the annual budget calendar. The calendar is reviewed with District Council and then submitted to the Board of Trustees for approval no later than February of each year.

The Executive Director of Financial Services, will coordinate with the College Administrative Services Offices to insure that all deadlines on the calendar are met.

The Budget Calendar shall identify deadline dates for:

• Development of Budget Guidelines (Board Budget Priorities)
• State Workshops
• State Reports
• Position Control Lock
• Revenue analysis and projections
• Review of initial budget projections
• Budget Detail Line Item
• Quarterly Financial and Budget Adjustment Reports
• Year-end close
• Adoption of the Tentative and Final Budget

The Tentative Budget shall be presented to the Board of Trustees no later than July 1 [Title 5, Section 58305(a)], and the Final Budget no later than September 15 [Title 5, Section 58305(c)].

Budget Position Control
District Services staff will maintain the budget position control database. Actual hire dates will be used to prepare the Tentative/Final Budget.
Vacant positions will be budgeted at step B for all classified positions. Certificated positions are budgeted at Column D, Step 7.

The status of unfilled positions fluctuates throughout the year, therefore continual assessment must occur on a regular basis in order to more efficiently and effectively use salary and benefit savings.

Permanent changes to full-time positions have budgetary implications and may impact the following:

- FON (Full-time Faculty Obligation Number)
- 50% Law

If submitting position changes which impact any of the following:

- Increase/Decrease in FTE
- Increase/Decrease number of Months a position is budgeted
- Reclassification of a position which results in a higher salary
- Changes to a position’s Funding Source
- Changes to Object Code Classification
- Adding or deleting positions.

The requestor of the change shall provide the following to the District Finance Office:

- Personnel Action Request (PAR) requesting and explaining the change;
- An analysis which calculates the additional budget required to effect the change;
- Budget Transfer Form which permanently funds the requested change.

District Finance Office Review:

- Review the financial information for completeness, reasonableness and accuracy.
- District Finance Office will prepare an “FTE Analysis” to determine potential impact on FON and 50% Law
- District Finance Office will forward the completed packet to HR for processing. HR will review and forward packet to EMT for approval.

The following budget reallocation process will be followed for District Administrative Services Departments:

- The District Finance Office will review unfilled positions and compare YTD Actual with YTD Budget.
- Collaboratively, the departmental manager will work with the District Finance Office to determine any savings or overspending related to an unfilled position.
• Calculated savings will be placed in the Vice Chancellor’s holding account for re-allocation.

• Cumulative savings in the Vice Chancellor’s holding account will first be used to cover any overspending which may have occurred on positions. Any net surplus will be re-allocated to the Administrative Services departments on a one-time basis.

• The Administrative Services Managers will notify the Vice Chancellor to present their proposal for consideration.

• The Vice Chancellor will review the submitted proposals and allocate the augmentation based on proposals which best fit the stated Board Budget Priorities.

• The District Finance Office will transfer budget from the Vice Chancellor’s holding account to the departmental budget based on the information provided on the proposals.

• Funding not fully expensed by the beginning of the subsequent quarter will be re-allocated to Administrative Services departments via the same method outlined above.

• After the third quarter, the Vice Chancellor reserves the right to spend the available balance at his/her discretion.

The Vice President of Administrative Services at each college shall facilitate the reallocation of funds from vacant positions through processes established at each college.

**Land Corporation Budget Setup and Reimbursement:**
Recipients of Land Corporation grants will follow the process detailed below in order to have their budgets established and to insure receipt of monies pledged by the Land Corporation.

**Establishing Budget:**

• Land Corporation will notify the District of any allocation regarding the amount and the terms of the grant by virtue of its recorded and approved meeting minutes and budgets.

• The responsible administrator of the allocation will work with the District Finance Office to identify the account numbers and setup the budgets.
o All project funds not expended on the specific project, as approved, by June 30 of the succeeding fiscal year will be returned to the Land Corporation. Carry-over funds shall be approved by the Vice Chancellor.

**Requesting Reimbursement from Land Corporation:**
The District will prepare the invoice for all Land Corporation projects and grants at least once each quarter. The amounts on the invoice will be based on actual expenditures and revenues posted to the general ledger.

Invoices to the Land Corporation must be approved by the Vice Chancellor of Administrative Services or his designee.

At the end of each fiscal year, a written report summarizing the efforts and outcome for each project will be reported at a regular Land Corporation meeting.

**Signature Authorization Form:**
The Signature Authorization Form shall be used to designate, change or remove signature authority for budget transfers, expense transfers, timesheets, contracts, check request, mileage claims, purchase orders, and travel and conference reimbursements.

The organization code must be clearly identified on the form along with the types of forms that can be signed by the designated individual (timesheets, purchase orders, check requests, etc.).

The name of the individual who is being given signature authority or having signature authority removed must have their name typed or clearly printed on the form.

The individual being given signature authority must sign and date the form.

Once completed, the form must be signed by the Executive Director of Financial Services or Vice President of Administrative Services at each college.

The form is then sent to the Finance Office where it is retained for reference.

**Date Approved: July 23, 2019**
District administrators are primarily responsible for safeguarding District resources by establishing and maintaining sound business controls designed to deter and detect potential misuse of resources. Further, the District encourages its employees and other persons to disclose improper activities as defined in the Reporting of Improper Governmental Activities Act per the Government Code and to protect those reporting improper activities from reprisal or intimidation.

Misuse is the inappropriate use of District resources for non-District purposes. Resources include, but are not limited to, cash, property, personnel, and time due to the District by employees. Criteria used to determine whether certain activities or employee behavior constitutes misuse of resources includes State and Federal laws and District policy and procedures.

Investigations of suspected misuse of District resources may be initiated for a variety of reasons, including, but not limited to, the following: questionable circumstances, allegations made by employees or members of the public, or situations disclosed during the course of routine audits.

Such investigations shall be conducted in a manner that:

- Fulfills the District’s legal and fiduciary responsibilities;
- Minimizes loss and promotes recovery of District resources;
- Identifies controls which should be strengthened to reduce future vulnerability regarding misuse of District resources;
- Protects the rights of the accused, the interests of those making allegations, and the public interest;
• Provides confidentiality compatible with an effective response and applicable reporting requirements; and

• Guards against real or apparent conflict of interest.

The Vice Chancellor of Administrative Services has overall responsibility for matters concerning known or suspected misuse of District resources. As part of this responsibility, the Vice Chancellor shall ensure that timely and complete information about significant investigations is reported to the Chancellor and the Board, as appropriate, and shall issue Districtwide fiscal guidelines to the Colleges on the implementation of this procedure. (Also see AP 7371 titled Personal Use of Public Resources)

The collection of all money shall be made in accordance with applicable statutes, standard accounting principles and practices, and written District administrative procedures.

It shall be the responsibility of the Chancellor and Vice Chancellor to ensure that appropriate controls and safeguards are in place.

Each employee of the District whose duty it is to handle district funds shall be finger-printed. (Also see AP 6322 titled Employee Indemnity Bonds)

There are six types of monies collected by the Admissions and Records Offices at West Valley and Mission Colleges: cash, checks, money orders, cashier’s checks, wire/ACH transfers, and credit cards.

Cash and Check Handling
Many areas receive cash on behalf of the College for the sale of goods and services. Payment by currency, coin, check, money order, and cashier’s check are all possible forms of acceptable payments. Strong internal controls must be in place to ensure cash proceeds are adequately safeguarded and deposited. It is imperative that areas opting to conduct cash transactions fully understand and accept the related cash handling responsibilities.

All cash proceeds must be properly reconciled and stored in a secure safe and deposited into an authorized District bank account at least twice per week. Cash must not be left unattended at any time. Cash should be stored in a cash box within a locked cabinet or safe to which there is restricted access. Under no circumstances are cash proceeds to be used for making loans, advances, or purchases.

Critical controls such as segregation of duties, limited access, and regular reconciliation are important in handling cash. Each area/department must ensure that the responsibility for receiving cash is segregated from the responsibility for depositing the cash. No one person should be permitted to handle a transaction from beginning to end.
Other Types of Monies

Wire transfers and ACH transfers are arranged in advance and are transmitted to and from the Clearing Account and Treasury Account at the District’s Financial Institution. A journal entry recording the revenue and expense is prepared by Finance staff and approved by the Director of Accounting. All money transfers shall be arranged with the Director of Accounting.

Monies for property taxes, lottery, and interest are deposited directly to the County Treasury Account. The Accountant or Director of Accounting prepares a journal entry to record the cash and revenue.

Returned checks with non-sufficient funds (NSF)
The District shall send an NSF letter to the individual whose check was returned for NSF. If the check was used as payment towards a student’s account, the payment will be reversed and an NSF fee of up to $50 will be assessed to the student’s account. For non-student accounts, the District Finance Office will reverse the revenue and request for a replacement check with an additional penalty fee to cover the NSF expense.

Credit Card Payments (Terminals and Online)
Areas processing credit card transactions must deposit proceeds daily by closing each terminal on a daily basis. Monthly Transaction Reports shall be sent to the District Finance Office each month to reconcile with the bank statement and general ledger postings.

Credit Card Chargebacks/Disputes
The District Finance Office shall be responsible for resolving chargeback/disputes, which includes submitting appropriate documentation to the cardholder’s bank to validate the charge amount. Upon notification by the cardholder’s bank that the credit card account holder is continuing to dispute the transaction, for student accounts, the District Finance Office shall put a “Hold” on the account and reverse the payment. For non-student accounts, the District Finance Office will notify the department of the chargeback and will reverse the revenue.

Monies received in Admissions and Records Office
Monies shall be recorded in the primary ERP system in sessions which are opened at the beginning of each day. At the end of each day, individual cashiers count, balance, and close their sessions. Cashier Detail Report and monies are placed in a sealed envelope in a locked safe to be counted and reconciled the next day by a designated cashier. The designated cashier cannot reconcile his/her own sessions. The Supervisor or designated cashier reconciles the monies, completes the official Deposit Form including their initials and session number and places them in the safe. The money shall be picked-up by the designated armored car service and deposited to the District’s financial institution twice weekly. A copy of the deposit slip is kept in the department and submitted to the District Finance Office along with the monthly Transaction Report. The District Finance Office shall reconcile the deposit with the monthly bank statement and general ledger postings.
The procedures above apply to any money collection site on college grounds, which may include Community Education, Contract Education, International Studies, Hospitality/Bistro, and selected Grant and Child Development Centers.

**Petty Cash:**
Petty cash in the amount of $5,000 is held in each college A&R Office for the purpose of covering minor expenditures that may arise. Requests can be made to reimburse employees for the purchase of supplies and postage expenditures of $100 or less. Supplies are defined as items costing $100 or less that are necessary to sustain or conduct day-to-day business of a particular department.

Requests are limited to an aggregate of $100 per employee, per month. Multiple receipts may be submitted. Splitting an expense of $100 between two or more employees is not allowed. Requests must have the signature of the appropriate budget administrator and the Vice President of Administrative Services or designee.

Original receipts must accompany each request and must contain: transaction date, vendor name and address, a detailed list of the items purchased, the cost of each item, and the total cost of all items. Copies of receipts and/or calculator tapes will not be accepted. Merchandise purchased on-line must be delivered to the District Warehouse in order to receive reimbursement. Items delivered to personal addresses will not be reimbursed.

Petty Cash requests must be submitted within 45 days of the date of the transaction.

Petty Cash requests will not be processed for reimbursement of food for meetings.

District Finance will conduct a random audit of Petty Cash. Budget Administrators will be held accountable for improprieties identified by the Finance Department.

**Revolving Fund:**
The District maintains a revolving cash fund of $35,000. This fund is used for emergencies occurring at either college or District Office that cannot wait for a regular District warrant. Checks written from the Revolving Fund must be approved by the Chancellor, Vice Chancellor, or designee.

---

**Date Approved: July 23, 2019**