FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Business Services Review

June 30, 2025

Monrovia Unified School District

Michael H. Fine
Chief Executive Officer

FCMAT FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

June 30, 2025

Paula Hart Rodas, Ed.D., Superintendent
Monrovia Unified School District
325 East Huntington Drive
Monrovia, CA 91016

Dear Superintendent Rodas:

In January 2025, the Monrovia Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a review of the district's Business Services Department. The agreement stated that FCMAT would perform the following:

1. Review operational processes and procedures in the Business Services Department and make recommendations for improved efficiency, if any, in the following areas:
   - Budget development.
   - Budget monitoring.
   - Position control.
   - Payroll.
   - Accounts payable.
   - Accounts receivable.
2. The Team will present the final report to the district's board of trustees at a public meeting following the completion of the review.

This report contains the study team's findings and recommendations. FCMAT appreciates the opportunity to serve the Monrovia Unified School District and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

Michael H. Fine
Chief Executive Officer

Michael H. Fine • Chief Executive Officer
1300 17th St. – City Centre, Bakersfield, CA 93301-4533 • Tel. 661-636-4611 • Fax 661-636-4647
www.fcmat.org

Table of Contents

About FCMAT

Purpose and Services

FCMAT was created by the California Legislature to help California's transitional kindergarten through grade 14 (TK-14) local educational agencies (LEAs) avoid fiscal insolvency. Today, FCMAT helps LEAs identify, prevent and resolve financial, management, program, data, and oversight challenges; provides professional learning; produces and provides software, checklists, manuals and other tools; and offers other related school business and data services.

FCMAT may be asked to provide fiscal crisis or management assistance by a school district, charter school, community college, county superintendent of schools, the state superintendent of public instruction, or the Legislature.

When FCMAT is asked for help with management assistance or a fiscal crisis, FCMAT management and staff work closely with the requesting LEA to meet their needs. Often this means conducting a formal study using a FCMAT study team that coordinates with the LEA for on-site fieldwork to evaluate specified operational areas and subsequently produces a written report with findings and recommendations for improvement.

For more immediate needs in a specific area, FCMAT offers short-term technical assistance from a FCMAT staff member with the required expertise.

To help meet the need for qualified chief business officials (CBOs) in LEAs, FCMAT offers four different CBO training and mentoring programs that consist of 11 or 12 diverse two-day training sessions over the course of a full year.

For agencies with professional learning needs, FCMAT offers workshops on specific topics. Popular topics include associated student body operations, use of FCMAT's Projection-Pro online financial forecasting software, use of FCMAT's Local Control Funding Formula (LCFF) Calculator, and data reporting for the California Longitudinal Pupil Achievement Data System (CALPADS). FCMAT staff and management also frequently make presentations at various professional conferences.

The California School Information Services (CSIS) service of FCMAT helps the California Department of Education (CDE) operate CALPADS; helps LEAs learn about CALPADS, resolve data issues and meet reporting requirements; and provides LEAs with training and leadership in data management. CSIS also developed and continues to host and improve the Standardized Account Code Structure (SACS) web-based financial reporting system for all California LEAs, and provides ed-data.org, which gives educators, policymakers, the Legislature, parents and the public quick access to timely and comprehensive data about TK-12 education in California.

Since it was formed, FCMAT has provided LEAs with the types of help described above on more than 2,000 occasions.

FCMAT's administrative agent is the Kern County Superintendent of Schools. FCMAT is led by Michael H. Fine, Chief Executive Officer, and is funded by appropriations in the state budget and modest fees to requesting agencies.

Workshop schedules, manuals, presentation slide decks, Projection-Pro software, LCFF calculators, past reports, an online help desk, and many other resources are available for download or use at no charge on FCMAT's website.

History

FCMAT was created by Assembly Bill 1200 (Chapter 1213, Statutes of 1991) and Education Code 42127.8. Assembly Bill 107 (Chapter 282, Statutes of 1997) added Education Code 49080, which charged FCMAT with responsibility for CSIS and its statewide data management work, and Assembly Bill 1115 (Chapter 78, Statutes of 1999) codified CSIS' mission.

Assembly Bill 1200 created a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. Assembly Bill 2756 (Chapter 52, Statutes of 2004) gave FCMAT specific responsibilities for districts that have received emergency state loans.

In January 2006, Senate Bill 430 (Chapter 357, Statutes of 2005) amended Education Code 42127.8, and Assembly Bill 1366 (Chapter 360, Statutes of 2005) amended Education Codes 42127.8 and 84041. These new laws expanded FCMAT's services to include charter schools and community colleges, respectively.

Assembly Bill 1840 (Chapter 426, Statutes of 2018) changed how fiscally insolvent districts are administered once an emergency appropriation has been made, shifting oversight responsibilities from the state to the local county superintendent to be more consistent with the principles of local control, and giving FCMAT new responsibilities associated with the process.

Introduction

Background

Governed by a five-member board, the Monrovia Unified School District serves nearly 5,000 students in transitional kindergarten through grade 12. The district operates five elementary schools, two middle schools, one comprehensive high school, and two alternative education schools, all located within the city of Monrovia. It also manages an early learning center and an adult school.

According to DataQuest, the district's enrollment has declined by an average of 2.0% per year since 2014-15, representing a total decline of 16.4% — from 5,903 students in 2017-18 to 4,935 in 2023-24. As of the 2024-25 first principal apportionment period (the most recent data available), 63.3% of the district's 4,920 students are identified as English learners, foster youth, and/or eligible for free or reduced-price meals.

Study and Report Guidelines

FCMAT visited the district on April 21 and 22, 2025, to conduct interviews with district and school staff, collect data and review documents. Following fieldwork, FCMAT continued to review and analyze documents. This report is the result of those activities.

FCMAT's reports focus on systems and processes that may need improvement. Those that may be functioning well are generally not commented on in FCMAT's reports. In writing its reports, FCMAT uses the Associated Press Stylebook and its own short internal style guide, which emphasize plain language, capitalize relatively few terms, and strive for conciseness, clarity and simplicity.

Study Team

The study team was composed of the following members:

Erin Lillibridge
FCMAT Intervention Specialist

Maria Arias
FCMAT Consultant

Cassady Clifton
FCMAT Technical Writer

Those members of this study team who are otherwise employed by a local educational agency were not representing their respective employers but were working solely as independent contractors for FCMAT.

All team members reviewed the draft report to confirm accuracy and achieve consensus on the final recommendations.

Executive Summary

The Monrovia Unified School District engaged FCMAT to review the operations of its Business Services Department. The scope of this review included budget development and monitoring, position control, payroll, accounts payable, and accounts receivable.

The FCMAT review identified fundamental weaknesses in the operations and oversight of the district's Business Services Department. The lack of documented procedures, weak internal controls, and limited interdepartmental coordination significantly undermine the district's ability to manage its finances responsibly and transparently. Inconsistent practices, unclear roles and responsibilities, and a reliance on external consultants in place of structured systems further contribute to operational inefficiencies.

These challenges are compounded by frequent staff turnover, increasing the district's risk of operational delays, fiscal errors, and misaligned resource allocation. Addressing them will require strong leadership, investment in staff training and systems, and the implementation of clear, standardized processes across all major business functions.

Key findings are summarized below.

Budget Development

The district's budget development process lacks structure, transparency, and collaboration. In recent years, the process has been primarily led by an external consultant, with minimal involvement from site and department leaders. There is no formal budget calendar to establish timelines, responsibilities, or expectations. Staff reported limited awareness of how budget allocations are determined. The district does not consistently use or share foundational data — such as historical financials, position control details, and year-to-date actuals — when developing its budget. As a result, adopted budgets may not reflect the district's true operational needs.

Budget Monitoring

The district conducts minimal ongoing monitoring of its budget. Financial updates are typically limited to the required interim reporting periods, with minimal review between those intervals. Budget revisions are often consolidated into interim reports rather than reviewed individually, reducing transparency. Additionally, there is no formal process for initiating or approving budget transfers, and it is common practice to override system controls to process purchase orders that exceed available funding. These conditions lead to weakened fiscal oversight and increased risk of overspending or unauthorized expenditures.

Position Control

The district's position control system is not fully integrated with its budget, payroll and human resources systems, and there are no formal procedures to reconcile position control data with payroll and budget records. As a result, salary and benefit costs are not encumbered in the financial system. Staffing data is maintained in separate spreadsheets across departments, with no routine reconciliation or centralized record of board-authorized positions. Personnel actions are sometimes delayed or inconsistently processed due to unclear workflows, limited training, and gaps in oversight. The absence of an integrated position control framework limits the district's ability to align staffing decisions with budget capacity and strategic goals.

Payroll

The district's payroll operations are strained by unclear role definitions, limited documentation, and a lack of formal training. Job descriptions include contradictory language about supervisory responsibilities, leading to confusion and internal conflict among staff. Payroll duties are assigned informally from cycle to cycle, with no standardized workflow. Oversight of timekeeping and absence reporting varies across sites and departments, and staff reported ongoing inaccuracies in leave balances listed on pay stubs. The payroll function relies heavily on institutional knowledge, leaving it vulnerable to errors and disruption. Past errors in salary schedule adjustments — some of which required multiyear retroactive corrections — underscore the lack of coordination between the Human Resources and Business Services departments.

Accounts Payable

The district's purchasing and payment processes are inconsistently applied, insufficiently documented, and lack centralized oversight. Payments are sometimes issued without purchase orders, particularly for recurring services and reimbursements. Approval workflows are not documented or widely understood. Staff in accounts payable roles are relatively new and have not received comprehensive training. The district does not have an updated purchasing manual or consistent policy guidance for staff. Recent audit reports have identified repeated findings related to unapproved disbursements and inadequate invoice documentation. Oversight and accountability are further weakened by a vacant purchasing director position and unclear staff reporting structures.

Accounts Receivable

The district's accounts receivable function is predominantly manual and does not fully use available features within the district's financial system. Invoices and payments are tracked in spreadsheets, and a single staff member is responsible for nearly all aspects of the receivables process — including invoicing, collections, deposit preparation, system entry, and reconciliations — resulting in no separation of duties. While deposits are generally made on a weekly basis, staff reported that entries into the financial system are delayed, leading to untimely revenue recognition. Bank reconciliations are not consistently completed in a timely manner and often lack review by business services staff. Oversight of payments collected at sites or by district programs, such adult education and associated student bodies (ASBs), is minimal, exposing the district to potential errors, mismanagement, or fraud.

Findings and Recommendations

Organizational Leadership and Financial Stability

Effective school district leadership depends on stability in key administrative positions to ensure consistent oversight, strategic planning, and sound decision-making. Frequent turnover in roles such as the superintendent, chief business official, or director of fiscal services can disrupt organizational continuity, weaken internal processes, and compromise financial oversight.

Equally important is the school district's ability to manage its financial operations internally, in accordance with best practices and governance standards. Strong leadership must be paired with well-established internal processes to ensure accurate reporting, maintain fiscal solvency, and respond proactively to emerging fiscal challenges. Districts experiencing leadership instability often struggle to maintain effective internal controls, monitor budgets consistently, and meet financial compliance requirements. These conditions increase the risk of fiscal insolvency due to material misstatements, operational inefficiencies, and noncompliance with applicable laws or policies.

District Leadership Turnover and Organizational Impact

Frequent changes in leadership direction and governance dynamics have created uncertainty and led to increased turnover across multiple levels of the organization, significantly disrupting continuity and impeding the development of institutional knowledge. Broader organizational shifts have also contributed to a culture of instability and disrupted staff morale.

Over the past five years, the district has had three superintendents and three assistant superintendents of business services. Both the assistant superintendent of human resources and the assistant superintendent of educational services are in their first year of service with the district. The interim assistant superintendent of business services has served in the position since December 2024, having previously served as the executive director of educational services. This pattern extends beyond the executive cabinet. Interviews with staff indicate that most certificated and classified managers are also new to their roles or were hired during the current school year.

To address the resulting loss of institutional knowledge and experience, the district has increasingly relied on external consultants to manage key financial functions and fill immediate gaps in expertise. While these consultants provide necessary technical support, their limited on-site presence and the lack of knowledge transfer have hindered the development of internal capacity. Dependence on external support undermines efforts to establish sustainable, in-house fiscal management practices and increases the district's long-term operational risk. As a result, and because so many are new to their roles, district staff need opportunities to build confidence, gain experience, and grow professionally.

Recommendations

The district should:

1. Develop and implement strategies to stabilize key administrative positions, with a focus on retention and succession planning.
2. Provide staff with meaningful opportunities for professional development and growth, ensuring the continuity of critical business functions and fostering internal leadership.

Business Services Turnover and Staff Roles

As with the district's executive leadership, the Business Services Department has experienced significant turnover in recent years. Frequent personnel changes have disrupted institutional knowledge and hindered workflow efficiency. The department's current organizational structure is shown in Figure 1 below.

Business Services Department Organizational Chart

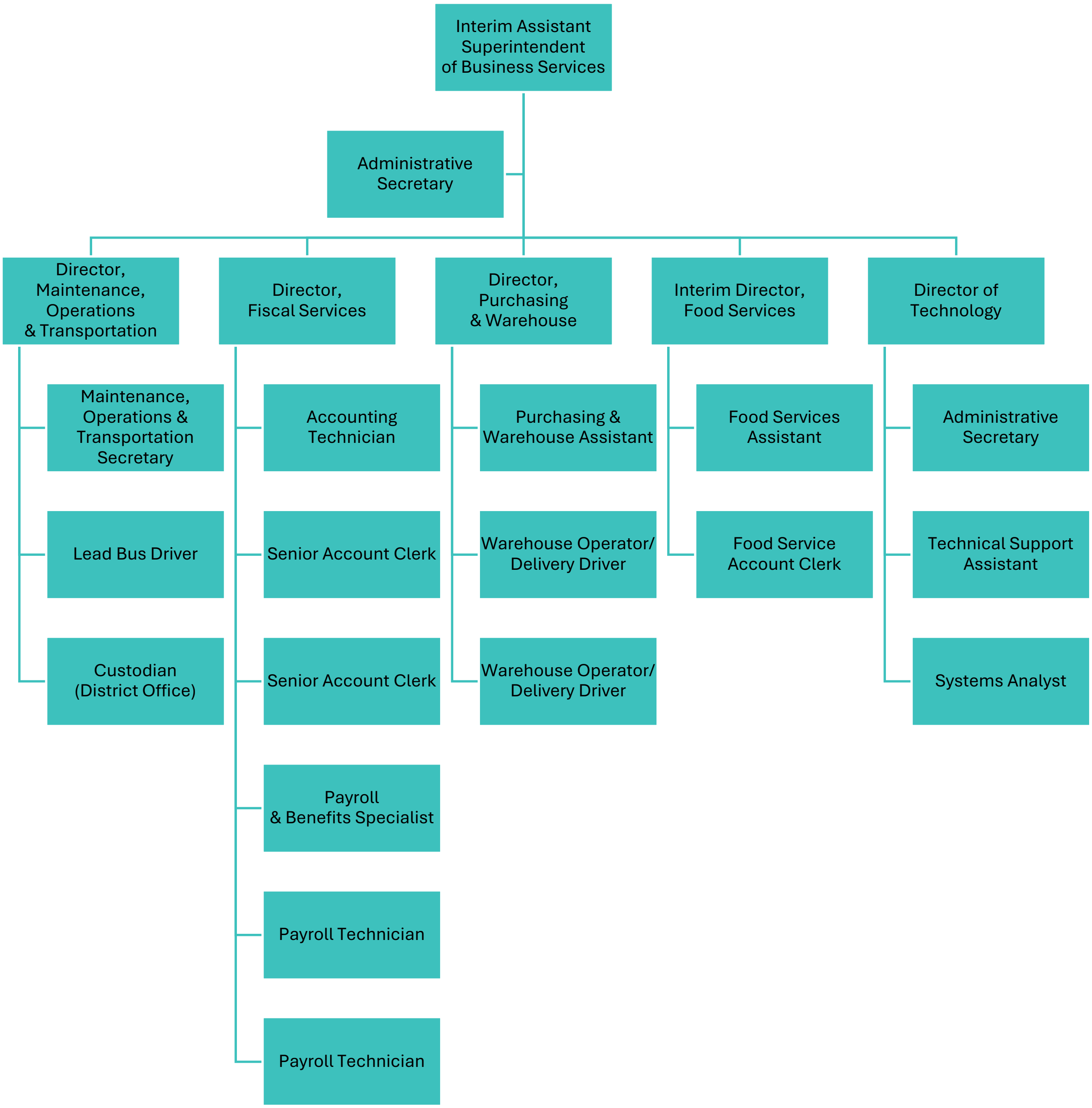

Figure 1. An organizational chart showing the district's Business Services Department.

Source: Adapted from district-provided document.

Among the staff interviewed, tenure ranged from one month to three years, with most employees having served in their roles for less than two years. This instability has contributed to unclear roles and responsibilities, with some functions misassigned, unassigned, or duplicated. These conditions reduce efficiency, increase the risk of errors, and weaken internal accountability.

A one-month desk audit of the Business Services Department could help the district to better understand how staff time is allocated and where duty gaps exist. This process allows staff to track daily tasks and time spent on specific functions, providing insights into workload distribution and operational needs. The audit results could be used to clarify responsibilities, rebalance workloads, and streamline operations.

Because the department is actively rebuilding, FCMAT has included two tables in Appendix B that outline typical business services functions alongside recommended position assignments. Aligning responsibilities with appropriate roles is essential to restoring effective operations and ensuring all critical tasks are completed.

The best practice is for department management to prioritize leadership, staff supervision, and oversight of processes rather than performing routine operational tasks. Tasks are delegated to support staff to ensure appropriate role alignment and allow managers to maintain strategic focus and ensure overall departmental effectiveness.

A regularly updated list of duties by position supports operational continuity, particularly during transitions. Although the district maintains such a list, it requires revision to include functions that are currently missing, especially those related to budget development, monitoring, and attendance reporting. Keeping this list current will help prevent tasks from being overlooked, clarify expectations, and support smoother operations during staffing changes.

An effective duty list also includes the frequency of each task (daily, weekly, monthly, quarterly, or annually) and identifies cross-training expectations to support internal controls, promote redundancy, and ensure continuity when staff are absent or positions are vacant.

Recommendations

The district should:

1. Invest in professional development to build staff capacity for independently managing financial operations.
2. Conduct a one-month desk audit of business services staff to evaluate time allocation and identify workload gaps or inefficiencies.
3. Use the results of the audit to realign tasks and responsibilities, ensuring that they support internal controls and are appropriate for each position and neither duplicated nor overlooked.
4. Refocus management roles on strategic oversight and supervision by reallocating routine operational tasks to support staff.
5. Update and maintain duty lists for all business services positions, ensuring they reflect essential responsibilities, include task frequency, and incorporate cross-training expectations. Ensure duty lists are updated regularly as roles and functions evolve.

Internal Controls

Effective internal controls are essential to the success and integrity of school district operations. They are the systems — policies, procedures, and practices — that help manage risk and support the achievement of organizational goals. These controls extend beyond accounting and finance to include areas such as purchasing, human resources, and information technology. When properly implemented, an internal control system provides reasonable but not absolute assurance that the district will meet its objectives and safeguard public resources.

In public education, internal controls also help maintain public trust and accountability. While all employees and board members share responsibility for internal control, the superintendent and senior leadership have a heightened ethical and fiduciary duty to ensure the system is functioning effectively.

The widely used *Internal Control - Integrated Framework* was developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), a recognized authority on internal control and risk management. This framework outlines five key components of internal control and their essential characteristics, summarized in Table 1.

This report in part evaluates the adequacy of the district's internal controls by examining key areas fundamental to sound business practices.

Table 1. Summary of Internal Control Components and Characteristics

Internal Control Component	Characteristics
Control Environment	The set of standards, processes and structures that provide the basis for carrying out internal control across an organization. Comprises the integrity and ethical values of the organization. Commonly referred to as the moral tone of the organization, the control environment includes: a code of ethical conduct; policies for ethics; hiring and promotion guidelines; proper assignment of authority and responsibility; oversight by management, the board or an audit committee; investigation of reported concerns; and effective disciplinary action for violations.
Risk Assessment	Identification and assessment of potential events that adversely affect the achievement of the organization's objectives, and the development of strategies to react in a timely manner.
Control Activities	Actions established by policies and procedures to enforce the governing board's directives. These include actions by management to prevent and identify misuse of the school district's assets, including preventing employees from overriding controls in the system.
Information and Communication	Ensures that employees receive information regarding policies and procedures and understand their responsibility for internal control. Provides opportunity to discuss ethical dilemmas. Establishes clear means of communication within an organization to report suspected violations.
Monitoring Activities	Ongoing monitoring to ascertain that all components of internal control are present and functioning; ensures deficiencies are evaluated and corrective actions are implemented.

Source: Reproduced from COSO's 2013 publication, *Internal Control - Integrated Framework*.

Control Activities

Control activities are a fundamental component of an internal control system, based on established policies and procedures designed to prevent and detect errors, fraud or misuse of assets. Maintaining effective internal controls requires ongoing attention from the governing board, management, and staff to identify and address potential weaknesses.

The Federal Deposit Insurance Corporation, a federal agency that promotes financial system stability, offers detailed guidance on fiscal oversight in its *Risk Management Manual of Examination Policies*. Drawing from this resource, FCMAT has summarized several key control activities commonly used to strengthen school district operations:

- **Checks and balances —** Establish procedures for initiating, approving, recording and reconciling transactions. Clearly assign responsibilities and timelines to ensure accountability, particularly in purchasing, accounts payable, accounts receivable, and payroll.
- **Segregation of duties —** Divide responsibilities so that no individual can complete an entire transaction or both manage an asset and maintain its records. This separation reduces the risk of errors, fraud or unauthorized activity.
- **Cross-training —** Ensure multiple employees are trained to perform each role. Require staff to take scheduled vacations during which others temporarily assume their duties, supporting operational continuity and helping to uncover irregularities.
- **Prenumbered documents —** Use preprinted, prenumbered documents such as checks, receipts and purchase orders. Maintain physical controls and track usage through logs that are periodically reconciled to prevent loss or misuse.
- **Asset security —** Deposit cash regularly (at least weekly), and limit access to supplies, equipment, and inventory to authorized personnel to help protect physical and financial assets.
- **Timely reconciliations —** Perform monthly reconciliations of bank statements and account balances. Assign this task to individuals who were not involved in the original transactions to maintain objectivity and accuracy.

A strong internal control system relies on both formal procedures, such as segregation of duties, reconciliations, management review and approval, and informal cultural elements like leadership modeling, staff training, and performance monitoring. While no system can eliminate all risk, well-designed controls offer reasonable assurance that operational goals will be achieved and that financial processes remain accountable and transparent. As detailed later in this report, the district lacks some of these control elements due to ongoing turnover in key leadership positions.

To support districts in evaluating the strength of their internal controls, FCMAT has developed an Internal Control Checklist. This resource is intended as guidance rather than a prescriptive standard and reflects best practices commonly used by auditors to identify areas where additional procedures or improvements may be needed.

Without a consistent system of internal control, the district faces increased risk of financial misstatements, operational inefficiencies, and potential noncompliance with applicable laws, regulations or policies.

Recommendation

The district should:

1. Use FCMAT's internal control checklist to review and evaluate the effectiveness of its internal control system.

Board Policies and Administrative Regulations

Board policies and administrative regulations play a vital role in internal controls by establishing the guidelines and directives that govern district operations. These policies are grounded in legal authorities, including the California Education Code, Government Code, Public Contract Code, state and federal regulations, case law, and local procedures. Because these legal sources are frequently updated, it is crucial to review and revise policies regularly to ensure legal compliance and operational consistency.

Outdated, incomplete, inconsistent or missing policies and administrative regulations can lead to confusion among staff, increased risk of legal noncompliance, and weakened accountability. Without clear and current policies and regulations, school district staff may rely on informal procedures that vary across sites or departments, potentially resulting in inequitable practices or avoidable errors.

School district policies follow a standardized numerical classification system to facilitate organization and consistency. Model policy language is available through the California School Boards Association's (CSBA's) GAMUT policy management system, which provides up-to-date templates, legal references, and guidance to support timely and comprehensive updates. Although the district subscribes to CSBA's policy update service, it has not fully adopted or implemented the platform's broader capabilities.

The district has a public-facing link to its board policies and administrative regulations on its website, but it lacks a comprehensive policy review process. FCMAT's review of the district's 3000 series — policies focused on business and noninstructional operations — found that many are severely outdated, with some not revised in over 15 years. As a result, these policies may not reflect statutory requirements or current district procedures. This condition appears to result from several systemic issues: the absence of a dedicated board policy committee, insufficient accountability among department administrators, the lack of a structured and cyclical review schedule, and underutilization of the CSBA GAMUT platform.

Establishing a formal board policy review committee that includes department administrators, along with adopting a quarterly review schedule aligned with CSBA guidance, will help ensure that policies remain current, legally compliant, and aligned with district practice. This committee can develop and implement a plan to update and review policies on a quarterly basis.

Appendix A provides a side-by-side comparison of the district's existing 3000 series policies and CSBA's recommended versions, highlighting gaps and areas in need of revision.

Recommendations

The district should:

1. Consider establishing a board policy committee to coordinate, review and oversee policy updates.
2. Include relevant department administrators in the policy revision process to ensure accuracy and alignment with current practice.
3. Develop and implement a comprehensive plan to update outdated or missing business and noninstructional policies to ensure legal compliance.
4. Maintain current board policies and administrative regulations by reviewing and updating them at least quarterly in accordance with CSBA guidance and recommendations; consider adopting and implementing CSBA's full GAMUT platform.

Annual Audit Report Delays

Education Code (EC) 41020 requires school districts to conduct an independent annual financial audit and submit the report to the county office of education, the California Department of Education (CDE), and the State Controller's Office by December 15. These audits are critical for validating financial statements, evaluating internal controls, and identifying areas of noncompliance. Timely completion is essential for informed financial planning and oversight. Without a finalized audit from the prior fiscal year, school district leadership lacks the foundational data necessary to develop, monitor, and adjust current and future budgets.

The district's last three audit reports (2021-22, 2022-23, and 2023-24) were all submitted well after the statutory deadline. The consistent failure to meet audit timelines suggests deficiencies in internal coordination, role clarity, and structured processes for audit preparation, driven in large part by ongoing turnover and vacancies in key business services positions. Without a designated staff position responsible for coordinating the audit process, no one is accountable for preparing documentation in advance of auditor fieldwork. In addition, the district's reliance on external consultants, who are not embedded in the district's daily operations, can lead to gaps in information available for auditors. As a result, auditors face delays in receiving required information, which extends the audit timeline and increases the risk of findings.

Other contributing factors include insufficient knowledge transfer during staffing transitions, limited cross-training among staff, and the absence of a documented audit preparation calendar or clearly defined departmental responsibilities. Continued noncompliance increases the risk of undetected errors, impairs decision-making, and may result in financial penalties, increased external oversight or reduced eligibility for certain funding sources.

Recommendations

The district should:

1. Establish and enforce internal timelines aligned with the December 15 audit submission deadline.
2. Designate a lead staff member to coordinate all audit-related activities and ensure timely communication with external auditors.
3. Assign clear responsibilities and provide staff training on year-end closing and audit preparation.
4. Standardize financial procedures (e.g., year-end close and budget monitoring) and maintain audit-ready documentation throughout the year to reduce delays in compiling required materials.

Budget Development

Resource allocation is a core responsibility of a school district's governing board and leadership team. During this process, revenue and expenditure estimates are developed based on student enrollment, average daily attendance (ADA), projected program costs, and anticipated state and federal funding. Budget planning is guided by the district's Local Control and Accountability Plan (LCAP), which outlines student achievement goals and the strategic use of resources to meet those objectives.

The budget development process typically begins in January of the preceding fiscal year, allowing the district time to assess staffing needs, revise position control, and make necessary adjustments before statutory deadlines and the start of the school year.

Effective budget development depends also on clearly documented procedures that promote consistency, efficiency, and accountability. The district lacks comprehensive written guidance for key budget activities and instead has relied heavily on consultants and informal practices. This condition has resulted primarily from frequent leadership turnover and the absence of a coordinated effort to document processes. Without clear guidance, inexperienced staff may struggle to understand expectations, which hinders operational efficiency and disrupts consistency in how budgets are developed over time.

The district primarily relies on external consultants using an incremental budgeting model, which adjusts the previous year's budget based on known changes in revenues and expenditures, such as the removal of one-time or carryover funds. While this approach provides simplicity and stability, it can also perpetuate outdated spending patterns and limit the district's ability to align resources with changing strategic priorities. This concern is especially relevant given that salaries and benefits comprise most of the district's expenditures.

Recommendations

The district should:

1. Develop and maintain comprehensive written procedures that clearly outline key budget development processes and timelines; begin budget planning no later than January.
2. Ensure that its budget development method includes tasks such as reviewing prior year estimated actuals by major object code, removing one-time or carryover funds, and ensuring its resources align with its strategic priorities.
3. Reduce reliance on external consultants by building internal capacity to effectively lead and manage the budget development process.

Budget Development Calendar

Under EC 42127, school districts must adopt an annual budget and LCAP by July 1. Each governing board must hold a public hearing and adopt the budget using the format prescribed under EC 42126. Additionally, within 45 days of the governor signing the state budget, districts must publicly report any revisions reflecting updated revenue or expenditure assumptions from the enacted budget.

The best practice to support compliance and effective planning is for school districts to maintain a formal, districtwide budget calendar that outlines key tasks, deadlines, and staff responsibilities. A comprehensive calendar promotes accountability, cross-department coordination, and organizational continuity — particularly during leadership transitions. The district lacks a comprehensive budget calendar. In its absence, sites and departments rely on informal communication and undocumented processes, which have resulted in confusion, inefficiencies, inconsistent practices, and missed deadlines.

Implementing a formal calendar clarifies responsibilities, aligns workflows, and supports timely task completion. Distributed at the start of each budget cycle, the calendar includes major activities such as position control updates, enrollment and ADA projections, revenue forecasting, expenditure planning, interim reporting, LCAP development, and board presentations. In an effective calendar, tasks are clearly assigned to responsible individuals or departments at the beginning of the budget cycle to strengthen accountability and improve coordination. The calendar can also serve as a training and onboarding tool, helping reduce reliance on consultants or informal, institutional knowledge.

Appendix C provides a sample budget development calendar outlining key monthly activities and the positions or departments responsible for completing or leading each task.

Recommendations

The district should:

1. Establish a formal, districtwide calendar that identifies all major budget development, reporting, and compliance tasks; includes specific deadlines; and assigns responsibility to departments and individuals.
2. Distribute and implement the calendar at the beginning of each budget cycle as the primary tool for cross-departmental planning, coordination and accountability.

Site and Department Collaboration

Best practices in school finance emphasize a collaborative budget development process that actively involves district leadership, school sites, and departments. This inclusive approach ensures that financial planning is informed by those closest to program implementation and daily operations, helping to align budgets with operational needs, student-focused initiatives, and long-term strategic goals. Collaboration also promotes transparency, improves the accuracy of resource allocation, and fosters a shared understanding of fiscal constraints and priorities across all levels of the organization.

During development of the 2024-25 adopted budget, the interim assistant superintendent of business services was serving in a different role, and the director of fiscal services was not yet employed by the district. As a result, the budget was developed by an external consultant who was unfamiliar with the district's day-to-day operations, reducing both the accuracy and effectiveness of the adopted budget.

In interviews, site and department managers consistently reported limited involvement in the budget development process. Many were unclear about how their budgets were developed or how allocations were determined. Several noted that underfunded accounts required budget transfers and created delays in processing purchase orders. This lack of participation increases the risk that site and program budgets do not accurately reflect operational needs. Given the reliance on external consultants and that the interim assistant superintendent and director are new to their respective roles, targeted training and professional development are needed to build internal capacity for future budget development.

Informed participation depends not only on involvement but also on access to timely and relevant financial information. The best practice is for business services staff to provide each manager with planning tools, including financial data from at least the two prior fiscal years and current year-to-date actuals. Managers should also receive position control reports showing all employees charged to their budgets, including names, positions, full-time equivalent (FTE), and funding sources. Managers should review the information to ensure staffing costs are budgeted correctly, coordinating with other departments when staff are shared and reporting any discrepancies to business services.

For new or expanding grant-funded programs, the best practice is for sites and departments to collaborate with business services to estimate staffing costs, confirm indirect cost rates, and review all applicable grant requirements — including allowable uses, matching obligations, and reporting timelines. This coordination supports responsible program implementation and informed decision-making by leadership.

Recommendations

The district should:

1. Ensure that business services leadership guides a collaborative budget development process that includes input from sites and departments.
2. Provide site and department budget managers with timely access to historical financial data and current year-to-date actuals.
3. Provide position control reports to site and department managers and require timely review and correction of discrepancies.
4. Establish a clear and structured process for evaluating and budgeting new or expanded programs.
5. Offer ongoing training and clear guidance to site and department managers on budget development and fiscal management.

Budget Monitoring

Effective budget monitoring is essential to maintaining a school district's financial health and accountability. Because key factors such as enrollment, attendance, funding, staffing, and employee compensation change throughout the year, ongoing monitoring and timely budget adjustments are necessary to maintain fiscal solvency and ensure resources are allocated accurately to support the educational needs of all students.

As with budget development, budget monitoring activities should be incorporated into the budget calendar and supported by written procedures to guide staff. Transparent, collaborative monitoring — supported by regular cross-departmental communication — enhances program implementation, promotes efficient resource use, and strengthens organizational accountability. When paired with timely budget revisions and financial reporting, it provides a foundation for sound fiscal decision-making and long-term sustainability.

Budget Revisions and Financial Reporting

Regular financial reporting and timely budget revisions are essential components of budget monitoring. EC 42130 and 42131 require school districts to submit interim financial reports twice annually, including multi-year financial projections. These reports provide a snapshot of the school district's current and projected financial position, helping the governing board and district leadership to make informed decisions.

In addition, EC 42600 through 42603 and EC 42610 govern budget revisions and account transfers. Specifically, EC 42600 stipulates that the total amount budgeted for each major expenditure category is the maximum authorized spending for that category within the fiscal year. Any transfers between expenditure classifications, or from fund balances, must be approved by a board resolution and submitted to the county office. These approvals occur during public board meetings to ensure transparency.

Although some school districts revise their budgets only during interim reporting periods, the best practice is to do so more frequently — particularly when new grants are received, costs increase, or revenues change significantly. Frequent revisions are especially important when changes materially affect the district's financial position or projected fund balance. Interim reports are the minimum standard for financial updates. The district's Board Policy 3100 supports this expectation, stating:

> Whenever revenues and expenditures change significantly throughout the year, the Superintendent or designee shall recommend budget amendments to ensure accurate projections of the district's net ending balance.

In practice, the district has not consistently presented standalone budget revisions outside of the interim reporting process. Revisions are typically aggregated into the interim reports, and recent turnover in business services leadership may have contributed to this gap. During 2024-25, both interim reports were prepared by consultants, with limited involvement from district staff. As a result, site and department leaders were not fully informed of key assumptions, reducing transparency and weakening operational oversight.

The district also lacks a structured process for initiating and approving budget transfers. Business services staff have overridden budget restrictions in the financial system to process purchase orders, rather than resolving insufficient budget availability through transfers or revisions. This practice increases the risk of unauthorized spending and masks ongoing budget shortfalls. In addition, the district lacks a formal process for reviewing and verifying the accuracy of budget or expenditure transfers, which weakens internal controls.

Many school districts address these risks by implementing documented processes for submitting and approving transfer requests from sites and departments. Such a process strengthens oversight and ensures the timely preparation of accurate, well-documented budget revisions for presentation to the governing board.

Recommendations

The district should:

1. Increase the frequency of budget updates and present standalone budget revisions to the governing board throughout the year to reflect significant changes in its financial position or projected fund balance, improve transparency, and ensure compliance with Board Policy 3100.
2. Develop and implement formal procedures for submitting, approving, and documenting budget revision and transfer requests from sites and departments.
3. Discontinue the practice of overriding budget restrictions in the financial system when processing purchase orders and address insufficient budget availability through timely budget transfers or revisions.
4. Implement a review process to verify the accuracy of all budget and expenditure transfers.
5. Build internal capacity within the Business Services Department to reduce reliance on external consultants to prepare financial reports.

Enrollment, Average Daily Attendance (ADA) and Financial Projections

Under the Local Control Funding Formula (LCFF), student enrollment, ADA, and unduplicated pupil count (UPC) — which includes English learners, foster youth, and students eligible for free or reduced-price meals — are primary drivers of state revenue for school districts. As a result, accurate enrollment and ADA projections are critical components of any multiyear financial projection and foundational to fiscal stability.

The best practice calls for these projections to be developed using reasonable methods, based on historical trends, and adjusted for district-specific factors, with regular monitoring, analysis and updates to maintain accuracy. Additionally, multiyear financial projections are most accurate when prepared in detail at the funding source level — the resource code in the state's accounting code structure — allowing for the tracking of restricted, one-time, and ongoing funds to ensure compliance and sound financial planning. These processes can be effectively supported using FCMAT's free Projection-Pro software, available on FCMAT's website.

The district does not use Projection-Pro to develop its projections and lacks formal procedures for tracking and analyzing enrollment and attendance data by site. Due to staff turnover, the Student Support Services Department has been responsible for attendance accounting and reporting, functions typically overseen by the Business Services Department. This shift, combined with the district's reliance on external consultants for financial reporting over the past two years, has created uncertainty around how enrollment, ADA, and financial projections are developed. These conditions increase the risk of misaligned staffing and resource allocations, inaccurate budget assumptions, misreporting to the state, and unreliable financial forecasting.

Recommendations

The district should:

1. Develop and implement procedures to monitor and project enrollment and attendance, using reasonable projection methods adjusted for local factors.

2. Update projections at each financial reporting period to ensure the most recent data is included in its budget assumptions.
3. Monitor and analyze actual enrollment and ADA data monthly, annually, and by reporting period.
4. Prepare multiyear financial projections for the general fund at the resource code level; consider using FCMAT's Projection-Pro software.
5. Reassign attendance reporting responsibilities to the Business Services Department to restore appropriate operational roles and ensure alignment with state compliance expectations.

Chart of Accounts

The state's Standardized Account Code Structure (SACS) is a required, uniform financial reporting system used by all school districts, county offices, and charter schools in California. SACS enhances the consistency, accuracy, and transparency of financial data across educational agencies. It ensures revenues and expenditures are recorded using a common set of account codes, thereby improving monitoring, reporting, and comparison of fiscal data at both local and state levels. It also enables the state to analyze financial trends, assess compliance with funding requirements, and provide appropriate fiscal oversight.

The district maintains an excessive number of active account codes in its chart of accounts, many of which are linked to outdated programs or inactive funding sources. Interviews revealed that multiple staff members can create new accounts, contributing to confusion, inconsistency, duplication, and difficulty in tracking financial activity. This surplus of unused or redundant codes hinders budget monitoring, complicates reconciliation efforts, and makes it challenging to align expenditures with available resources. Additionally, the current business services staff lack training specific to the *California School Accounting Manual* (CSAM) and SACS, which hinders their ability to provide related training and support to sites and departments.

The best practice to support internal control and improve consistency is to limit who is authorized to create or modify account codes to the primary position responsible for budget preparation. Limiting access and maintaining a clean, well-organized chart of accounts will reduce errors and provide a more accurate, transparent view of the district's financial position. Many school districts also find it helpful to provide a one-page summary of commonly used codes to sites and departments, promoting consistent use and reducing confusion.

Recommendations

The district should:

1. Conduct a comprehensive review of the chart of accounts and deactivate all obsolete, redundant or inactive codes.
2. Review and update current authorizations in the Business Enhancement System Transformation system to restrict the authority to create or modify account codes to the director of fiscal services or the primary position responsible for budget preparation.
3. Distribute an updated chart of accounts to all sites and departments, and consider providing a one-page summary of commonly used codes for ease of reference.

4. Provide training on the chart of accounts to site and department staff periodically or as needed, particularly when updates occur or when new employees are onboarded.
5. Provide business services staff with training on SACS and the basic school accounting principles outlined in the CSAM.

Indirect Costs

All programs rely on districtwide administrative services — such as accounting, budgeting, payroll, human resources, and purchasing. To recover a portion of these costs, school districts may apply an indirect cost charge to restricted programs — those programs with funds provided for specific, designated purposes that typically cannot be used for general operations or discretionary spending.

The CDE establishes the maximum allowable indirect cost rate that each school district may apply to its restricted programs. School districts may charge up to this rate unless a lower limit is set by statute, regulation, or program guidelines. Applying the maximum allowable indirect cost rate promotes equity across programs, helps offset the cost of centralized services, and reflects the actual cost of each program.

According to its 2023-24 unaudited actuals, the district did not apply indirect costs to its special education program and inconsistently applied the approved rate to other restricted programs — some of which were charged less than 1% despite a 6% maximum rate. This pattern has continued into 2024-25, with many programs still charged well below the allowable rate even as the district's approved rate increased to 9.93%. Consequently, administrative costs have not been fully recovered and have instead been supported by the unrestricted general fund.

These inconsistencies appear to stem from staff turnover and vacancies in key business services positions, with external consultants managing financing reporting and failing to apply the indirect cost rate consistently. Some school districts are hesitant to charge indirect costs to programs such as special education, especially when those programs already require contributions from the unrestricted general fund. However, applying the indirect cost rate supports accurate cost accounting and ensures all eligible programs help fund centralized administrative services.

Recommendation

The district should:

1. Charge the maximum approved indirect cost rate to all eligible restricted programs and special revenue funds, including those that also receive contributions from the unrestricted general fund.

Special Education Program Considerations

Special education programs often involve individualized and high-cost services that require additional monitoring, strategic budgeting, and close collaboration across departments, including special education, human resources, and business services. In California, Assembly Bill (AB) 602 (Chapter 854, Statutes of 1997) governs special education funding. Under AB 602, funds are allocated to Special Education Local Plan Areas based on the ADA of their member districts, regardless of the number of students receiving special education services or the cost of those services.

In addition to AB 602 state funding, school districts receive a small amount of federal funds intended to supplement, not replace, general education resources. The combined state and federal contributions typically fall short of covering actual special education expenses. As a result, school districts contribute significant resources from their unrestricted general funds to cover the shortfall. These local contributions reflect the amount by which special education program expenses exceed available revenues.

Federal law imposes a maintenance of effort (MOE) requirement that obligates school districts to spend at least as much state and local funding on special education each year as they did in the prior year. Noncompliance can result in a dollar-for-dollar penalty. Title 34 of the Code of Federal Regulations Section 300.204 outlines limited exceptions to this requirement, and any reduction in contributions must meet strict federal criteria.

Best practice calls for school districts to monitor MOE compliance throughout the fiscal year to proactively manage compliance and identify opportunities to revise or reduce their MOE obligation. However, staff indicated that the district does not actively monitor its MOE. The absence of formal monitoring protocols, coupled with turnover in key leadership roles, has resulted in insufficient oversight. Additionally, the lack of staff training on MOE requirements, allowable exceptions, and documentation procedures increases the district's risk of noncompliance.

To ensure fiscal sustainability and compliance, school districts must:

- Regularly analyze program cost trends to inform and adjust contributions to special education.
- Accurately budget and account for all special education costs, including transportation, due process hearings, indirect costs, and services from nonpublic schools or agencies.
- Maximize the use of all available special education funding sources.

Staff interviews also highlighted a lack of regular communication among the Special Education, Human Resources and Business Services departments. This lack of coordination hinders effective budget monitoring and the timely identification of evolving service needs. Costs associated with special education, such as transportation, specialized instructional support, and out-of-district placements, can escalate quickly. Legal expenses from due process hearings and settlements further strain the budget and are often not anticipated in projections. Without regular collaboration across departments, these unpredictable and often high-cost expenses are at risk of being left out of the budget or incorrectly allocated, leading to midyear funding shortfalls and unexpected general fund impacts.

Recommendations

The district should:

1. Establish formal MOE monitoring procedures, including clearly defined timelines and assigned staff responsibilities aligned with financial reporting cycles.
2. Improve interdepartmental collaboration by conducting regular meetings among special education, business services, and human resources staff to review program needs, staffing levels, and budget updates.
3. Ensure accurate budgeting for all special education expenditures, including transportation, legal fees, nonpublic school placements, and indirect costs.
4. Analyze special education cost trends regularly to support data-informed budget development and timely adjustments.

5. Train key staff members on federal MOE requirements, allowable exceptions, and compliant documentation practices.
6. Maximize the use of all available state, federal, and local funding sources for special education.

Position Control

Position control is a critical system school districts use to align staffing decisions with financial resources and strategic priorities. Because salaries and benefits often represent over 80% of a district's unrestricted general fund expenditures, accurate forecasting of these costs is essential. Position control focuses on tracking board-approved positions rather than individual employees, allowing for consistent oversight of staffing levels and related costs, regardless of whether a position is currently filled. While primarily overseen by the Human Resources and Business Services departments, effective position control requires coordination across the entire district.

Position Control System Basics

A position control system defines and manages board-authorized positions by FTE and by site or department, ensuring that salary and benefit costs are accurately budgeted. In addition to base pay, the system tracks recurring personnel expenses such as stipends, overtime, extra duty pay, vacation payouts, substitute costs, step-and-column increases, and other forms of compensation outlined in collective bargaining agreements.

The best practice to maximize efficiency and data accuracy is for position control to be fully integrated with the district's budget, payroll, and human resources systems. When integrated, staffing changes, such as new hires, resignations, or reassignments, automatically update across all platforms. This integration reduces redundancy, minimizes errors, and provides decision-makers with timely, reliable data. In districts without full system integration, clear procedures must be in place to reconcile position control data with payroll and budget records.

Maintaining a clear separation of duties among business services, payroll, and human resources helps safeguard against fraud, errors, and misuse of resources. These internal controls ensure that only board-approved positions are created, that hiring is limited to authorized roles, and that compensation is issued only to properly hired employees.

Table 2 below outlines a recommended division of responsibilities between the Business Services and Human Resources departments to support effective position control and oversight.

Table 2. Suggested Distribution of Position Control Duties

Task	Responsible Party
Approve or authorize position.	Governing Board or Designee
Input approved position with estimated salary into position control (every position is given a unique number).	Human Resources Department
Review salary budget and account codes.	Business Services Department
Enter demographic data, including: • Employee name. • Address. • Social security number. • Credential. • Classification. • Salary schedule placement. • Employee assignments.	Human Resources Department

Task	Responsible Party
Update employee benefits. Update salary schedules.	Business Services or Human Resources department (the other reviews)
Review and update employee work calendars. Update employee step and column placement.	Human Resources Department
Account codes. Budget development. Budget monitoring. Multiyear financial projections. Salary projections. Payroll.	Business Services Department

Source: FCMAT.

Recommendation

The district should:

1. Clearly define, document and separate duties between the Human Resources and Business Services departments to strengthen internal controls and ensure accountability.

Position Control Process

The district uses the Los Angeles County Office of Education's (LACOE's) Human Resource System (HRS) to manage its human resources and payroll functions. HRS integrates with PC Products applications such as Labor and LLL to support position control and facilitate the analysis of employee, payroll, and financial data. However, these systems do not interface with the district's financial system, Business Enhancement System Transformation (BEST). As a result, salaries and benefits are not encumbered in the financial system, making it difficult to monitor that adequate funds are allocated to cover staffing costs. Staff must manually reconcile data between position control, payroll, and budget records — an inefficient process that increases the risk of errors and consumes significant staff time.

Position data is maintained in spreadsheets managed independently by various departments. The Human Resources Department uses multiple staffing worksheets, while the Business Services Department relies on a separate spreadsheet to track position numbers and changes. These tools were developed to meet department-specific needs and are neither aligned nor regularly reconciled. Consequently, position data is fragmented, and the district lacks a centralized document that summarizes critical information, including authorized positions, FTE counts, work locations, funding sources, and budgeted amounts.

The position control process begins when a site or department submits a personnel action request, referred to as a "workflow," through the Helios system. Requests may include new hires, terminations, reassignments, funding changes, or other adjustments such as additional hours. After an initial review and approval by the site or department manager, the workflow proceeds through an electronic approval process involving the following departments:

- **Educational Services Department —** Verifies the use of categorical program funding.

- **Business Services Department —** Assigns position numbers, validates budget availability, and reviews account codes.
- **Human Resources Department —** Initiates recruitment for vacant positions and enters updates into HRS.

Although this workflow is in place, there are no formal written procedures to guide its consistent application. Interviews indicated that key personnel are sometimes excluded from the approval chain, and the process for communicating approved actions from human resources to payroll is unclear. These gaps, along with a reliance on institutional knowledge rather than standardized processes, contribute to delays, miscommunication, and implementation errors.

Personnel action requests that involve new positions or increased FTEs are not reviewed by the district's executive cabinet prior to submission, missing a critical opportunity for oversight. While the governing board approves new job classifications and ratifies hires, review by the executive cabinet could help ensure alignment with district priorities, budget availability, and strategic goals before board approval.

Training and staffing issues further complicate the position control process. Staff reported delays in reviewing and assigning position numbers and verifying account codes, which are largely attributed to the absence of clearly defined procedures and insufficient supervisory oversight. These challenges have been exacerbated by turnover in the director of fiscal services position and limited training for the account technician II, who began in February 2024 and has primarily relied on informal guidance from peers. In addition, staff reported delays in updating employee records, including work location and calendar year, which negatively impacts payroll processing, budget planning, and the accuracy of position control data.

Despite the district's use of HRS and associated tools to manage position control data, the lack of system integration, absence of formal procedures, weak interdepartmental coordination, and insufficient staff training have resulted in a fragmented and inefficient position control process. Because of these deficiencies, reconciliation is not possible. They also hinder the district's ability to maintain accurate staffing records, ensure financial accountability, and support timely and informed staffing decisions. Addressing these issues is especially critical as the district prepares to transition to LACOE's new Human Capital Management (HCM) system in 2027 — a process that will become significantly more challenging if existing weaknesses in position control are not resolved.

Recommendations

The district should:

1. Develop and implement formal written procedures for position control, including detailed step-by-step workflows for processing personnel action requests.
2. Establish and maintain a centralized, regularly updated position control document that includes all board-authorized positions with details such as position numbers, FTE counts, funding sources, work locations and budgeted amounts.
3. Develop and implement a formal reconciliation process between the Human Resources and Business Services departments to ensure that position, payroll, and budget data remain consistent and aligned.
4. Require executive cabinet review and approval of all personnel action requests involving new positions or increases to FTE before submission in Helios.
5. Provide formal training to all staff with responsibilities related to position control.

6. Clearly define and document interdepartmental responsibilities, protocols, and timelines for initiating, reviewing, approving, and communicating personnel changes — including hires, resignations, and separations — as well as updating payroll and budget systems.

Interdepartmental and Site Collaboration

Human resources, payroll, and budget functions are closely interconnected, making regular and structured collaboration essential for maintaining an accurate and effective position control system. The best practice to address errors and ensure operational efficiency is for the Human Resources and Business Services departments to prioritize ongoing communication and shared problem-solving.

For example, payroll cannot issue compensation unless human resources confirms that an employee has been officially hired and entered into the system. Likewise, if sites or departments fail to promptly report resignations or separations to human resources and payroll, the risk of overpayments increases, as does the time needed to fill vacancies. Ongoing coordination between human resources and business services is also essential for timely payroll processing and accurate budget monitoring.

However, district staff reported that the Human Resources and Business Services departments do not meet on a regular basis, and that communication breakdowns and interpersonal dynamics have occasionally hindered effective collaboration. The best practice to ensure effective internal coordination is for these departments to jointly review all active positions and assignments ahead of each annual budget cycle and interim reporting period, including verifying salary placements, planned step-and-column increases, and current vacancies. As noted in the "Budget Development" section of this report, sites and departments should also review staffing reports at least twice per year to support informed decision-making and ensure budget accuracy. Certain programs with strict compliance requirements or high turnover, such as special education, require more frequent (e.g., monthly) interdepartmental collaboration to effectively monitor staffing levels.

These collaborative efforts help ensure alignment across position control, payroll, and budget systems, enabling the district to maintain staffing levels that are both fiscally sustainable and reflective of actual program needs.

The district's upcoming transition to LACOE's new HCM system will require even greater coordination across departments. Successful implementation will depend on clear communication, cross-departmental planning, and a shared commitment to ensuring data accuracy, system alignment and operational continuity.

Recommendations

The district should:

1. Establish regularly scheduled collaboration meetings among human resources, payroll, and business services to promote ongoing communication, proactively resolve issues, and ensure alignment in position control processes.
2. Conduct joint position reviews between human resources and business services as part of the annual budget development process and before each interim reporting period.
3. Distribute updated staffing reports to sites and departments at least twice per year; provide more frequent updates (e.g., monthly) to programs with strict compliance requirements or high turnover (e.g., special education).

4. Address interpersonal and communication challenges through facilitated team-building sessions or targeted professional development focused on collaborative problem-solving and effective communication between the Human Resources and Business Services departments.

Staffing Formulas

Establishing and consistently applying staffing formulas for all employee groups — certificated, classified, and administrative — is a foundational best practice in school district management. These formulas promote transparency, equity, and fiscal discipline by clearly defining how staffing levels are determined and aligned with enrollment, programmatic needs, and available resources. When applied consistently, staffing formulas also serve as a key internal control, helping districts avoid overstaffing, control costs, and maintain compliance with legal and contractual obligations.

Best practice dictates that staffing ratios be reviewed and updated annually to reflect changes in student enrollment, instructional models, special program requirements, and negotiated agreements. Additionally, differentiating staffing between core/base programs and supplemental or restricted programs — based on funding source (e.g., unrestricted, restricted, ongoing, or one-time) — enhances the district's ability to allocate resources strategically and supports effective multiyear financial planning.

As of this review, the district has not established formal staffing formulas for administrative or classified positions. While the certificated collective bargaining agreement outlines class size provisions, the district lacks documentation demonstrating whether these ratios are consistently applied or evaluated. Consequently, the district could not provide FCMAT with staffing planning worksheets or school-level allocations for the 2023-24 and 2024-25 budget development cycles.

In recent years, the district's staffing analysis and planning processes have been inconsistent, due largely to turnover in both the Human Resources and Business Services departments. Without staffing formulas and documented planning processes, the district faces an increased risk of overstaffing, budget inefficiencies, and noncompliance with labor agreements or Education Code requirements.

Recommendations

The district should:

1. Develop, adopt, and implement formal staffing formulas for certificated, classified, and administrative positions.

2. Analyze and update staffing ratios annually based on enrollment changes, programmatic needs, and applicable class size or caseload requirements.

3. Differentiate staffing between core/base programs and supplemental or restricted programs funded by categorical or special revenue funds.

4. Document and maintain staffing plans and allocations as part of the annual budget development and interim reporting processes.

Payroll

Processing employee compensation is one of the most critical functions of the Business Services Department. Payroll is a detailed and technically complex task that requires close collaboration across sites and departments. This complexity is heightened when new positions are created, assignments are changed, salaries are adjusted, or special compensation agreements are implemented — each of which introduces a risk for error.

Given the short turnaround times between payroll cycles, success depends on strict adherence to established calendars, deadlines, and internal controls. To ensure accuracy and maintain a smooth workflow, key staff must be well-trained and operate in accordance with district policies and procedures that align with applicable laws and regulations. Maintaining a reliable payroll process not only supports employee trust and operational efficiency but also safeguards the district from legal and financial risks.

Payroll Staffing

The Business Services Department employs two payroll technicians and one benefits and payroll specialist to process employee compensation. One technician has served in the district for approximately 1.5 years, while the other has two years of district experience but less than one year of payroll experience. The benefits and payroll specialist has also worked in the district for two years in payroll and was assigned to their current role in December 2024. Over the past two years, the department has periodically relied on a classified substitute and, before staffing the current team, used both a consultant and a substitute for payroll support.

Staff interviews and a documentation review revealed several operational gaps. While the district has access to HRS system procedure manuals and support from LACOE, staff have received limited formal training. Most learning has occurred informally through peer guidance or assistance from the substitute and consultant. In addition, the department lacks written procedures or a desk manual to guide day-to-day tasks — a gap attributed in part to frequent staffing changes.

Without standardized training and written guidance, payroll staff lack the support necessary to consistently perform their duties accurately and efficiently. This increases the risk of processing errors, inefficiencies and service disruptions, particularly during staff absences or transitions. While some cross-training occurs, it is informal, undocumented, and not part of a structured process, limiting the department's operational flexibility and long-term resilience.

Recommendations

The district should:

1. Develop and maintain a desk manual or comprehensive written procedures to strengthen internal controls, ensure consistency, and maintain service continuity.

2. Establish and implement a formal cross-training plan to increase operational flexibility, build staff capacity, and ensure uninterrupted coverage of essential payroll functions.

Supervisory Structure and Role Clarity

Beyond staffing levels and training, the structure and clarity of supervisory roles within the payroll team are also critical to effective operations. In the district's current structure, unclear oversight responsibilities have created challenges that affect team cohesion and efficiency.

The August 2024 job description for payroll technicians outlines responsibilities focused on accurate and timely payroll processing. These duties include entering, auditing, and reconciling payroll data; calculating compensation for regular and special assignments; processing adjustments such as overtime, retroactive pay, and deductions; and maintaining payroll records. Technicians are also responsible for ensuring compliance with district policies, collective bargaining agreements, and applicable federal and state regulations.

The September 2024 job description for the benefits and payroll specialist reflects a broader scope of duties that includes both payroll processing and comprehensive benefits administration. In addition to performing payroll duties similar to those of the payroll technicians, the benefits and payroll specialist is responsible for managing employee benefit programs, including health insurance, retirement plans, Affordable Care Act compliance, and preparing payroll tax filings such as Form 941 and Form DE 9.

Although both job descriptions indicate that the payroll technicians and the benefits and payroll specialist report to the director of fiscal services, the specialist's job description includes language that implies supervisory authority. The position is referred to as a "supervisor" in two separate instances and includes responsibilities such as organizing, supervising, and monitoring payroll activities. One duty specifically states that the benefits and payroll specialist provides "training and work direction, guidance, and assignments to assigned personnel, including selection, training, distributing/prioritizing/reviewing work, preparing/administering evaluations, counseling, and discipline."

This ambiguity in supervisory responsibilities has led to conflict within the payroll team. Staff indicated that tensions have arisen between the benefits and payroll specialist and the payroll technicians, largely due to confusion and disagreement over the specialist's perceived or actual oversight role. The lack of a clearly defined reporting structure and role delineation has contributed to strained working relationships, reduced cohesion, and diminished team efficiency.

These issues are particularly concerning as the district prepares to transition to its new human resource and payroll system, HCM. Successful implementation will require a cohesive payroll team, clear communication, and mutual trust. Without addressing the existing structural and interpersonal issues, the district risks further disruption during what is expected to be a complex and demanding change process.

Recommendations

The district should:

1. Revise and align job descriptions for the payroll technicians and the benefits and payroll specialist to clearly define roles, duties and supervisory responsibilities.
2. Remove supervisory language from the benefits and payroll specialist's job description if the role is not intended to include formal oversight of other staff.
3. Provide supervisory training to any employee assigned leadership or oversight duties, including the benefits and payroll specialist, if the position is expected to function in a supervisory capacity.
4. Organize team-building and conflict-resolution sessions to rebuild trust, improve communication, and foster a collaborative working environment within the payroll team.

Payroll Processing

The district uses HRS, LACOE's payroll and human resource systems, to manage payroll and personnel functions. Payroll technicians process five regular payrolls each month, along with supplemental payrolls as needed to correct missed payments or resolve payroll errors.

Best practices in payroll management and internal control call for clearly defined and documented staff responsibilities to ensure accountability, minimize errors, and maintain consistency. Although the payroll technicians are responsible for processing payrolls, assignments are not formally designated. Instead, the payroll technicians informally determine who will handle each payroll cycle and employee group. This ad hoc approach increases the risk of inefficiencies and reduces accountability due to the absence of a standardized division of responsibilities.

While the benefits and payroll specialist has helped with payroll in the past and their job description lists some payroll-related duties, the position is focused on quarterly payroll tax filings and benefits-related responsibilities. These include reconciling benefit invoices, processing voluntary deduction payments, and preparing overpayment recovery documentation for accounting staff.

One senior account clerk is solely responsible for processing the district's payroll tax payments. Following each payroll cycle, the senior account clerk remits tax payments to LACOE and monitors the payroll tax report daily to track payroll activity, including supplemental runs. This process helps ensure the timely and accurate remittance of payroll taxes.

The district recently identified an error in the classified salary schedule dating back to the 2022-23 fiscal year, requiring payroll to process retroactive pay adjustments for all classified employees. Due to turnover in key positions within business services and human resources, the origin of the error could not be confirmed. This incident highlights the consequences of unclear roles and insufficient coordination during critical processes such as salary schedule updates.

Under standard practice, once a collective bargaining agreement is ratified, the Business Services Department or the Human Resources Department creates the revised salary schedule, and the other department reviews it for accuracy and ensures correct input into the financial system. Errors at any point in this process can require large-scale retroactive adjustments, consume significant staff time, and diminish employee confidence in the payroll system. Without a clearly documented workflow and coordinated interdepartmental review, these risks are compounded.

Recommendations

The district should:

1. Establish clearly defined roles and consistently assign payroll processing responsibilities among payroll staff to improve efficiency and accountability.
2. Develop written procedures that outline staff responsibilities for payroll processing, overpayment resolution, and tax remittance.
3. Clearly define and document interdepartmental responsibilities, protocols, and timelines for initiating, reviewing, approving, and updating salary schedules following contract negotiations to ensure accuracy and prevent future errors.

Internal Controls and Workflows

Proper payroll internal controls establish checks and balances between departments and ensure segregation of duties within business services. For example, payroll staff should not be able to enter new employees into the payroll system. Employees who process payroll should also not authorize or distribute payroll warrants (i.e., checks). The district's payroll warrants are delivered directly from the county office to payroll, where the payroll technicians are responsible for sorting and preparing them for distribution — an arrangement that lacks appropriate checks and balances.

The best practice is for a supervisor to reconcile or review the payroll batches before submitting the payroll warrant list to the county office. Due in part to ongoing staff vacancies and turnover in the director of fiscal services position, the payroll technicians are responsible for auditing and reconciling the payroll. However, the district does not have written procedures guiding this reconciliation and review process. The lack of a documented, districtwide payroll workflow has allowed informal practices to persist, particularly during periods of staffing instability.

Without formalized internal controls and clearly documented workflows, the district is at increased risk of payroll errors, inefficiencies, fraud, and potential misuse of funds. These gaps can compromise the integrity and timeliness of payroll processing and undermine employee confidence in the accuracy of their compensation.

Recommendations

The district should:

1. Assign a business services employee who is not involved in payroll processing to receive payroll warrants from the county office and oversee their distribution to employees, sites and departments.
2. Designate the director of fiscal services, or a business services supervisor who is not involved in payroll processing, to review and reconcile payroll.
3. Develop and implement written procedures for payroll reconciliation and review to ensure clarity, accountability, and continuity during staff absences or transitions.

Timekeeping and Absence Reporting

Accurate timekeeping and absence reporting are essential for ensuring that employee compensation and leave balances are processed correctly and in compliance with district policy and labor regulations. The district uses Helios to track and approve extra hours, and Frontline to manage absence reporting, leave tracking, and vacation requests. The Human Resources Department is also piloting a new electronic timekeeping system intended to streamline and standardize time entry for all employees.

Although employees are expected to report absences directly in Frontline, some rely on site or department secretaries to enter this information on their behalf. In addition, several sites and departments use paper sign-in sheets to track attendance for certain classified hourly employees, and secretaries use these sheets to verify corresponding Frontline entries. These informal and inconsistent practices introduce opportunities for data entry errors and hinder accountability.

Staff reported that leave balances shown on pay stubs are inaccurate, even though the data in Frontline is believed to be correct. It is unclear whether human resources or payroll is responsible for maintaining the accuracy of these balances, and no individual or department has been formally assigned to resolve discrepancies. This lack of ownership further contributes to confusion and undermines confidence in the system.

Responsibility for verifying and approving time and attendance data in Frontline is also inconsistently defined. While the district expects site and department managers to reconcile entries daily and provide final approval, this expectation is not formally documented, regularly monitored, nor consistently followed. As a result, approvals may be delayed or incomplete, leading to payroll errors.

In addition, payroll does not provide a payroll calendar or communicate cutoff dates for time entry, review and reconciliation to sites or departments. The absence of these formal communication protocols increases the likelihood of missed deadlines, processing delays, and compensation errors.

Without clearly defined procedures, assigned responsibilities, and formal communication protocols, the district faces heightened risks related to inaccurate time, leave and attendance data, as well as diminished employee confidence in the reliability of payroll operations.

Recommendations

The district should:

1. Clearly define and document the respective roles of human resources, payroll, and site and department managers in verifying, reconciling, and correcting time and attendance data in Frontline and Helios.
2. Develop written procedures for the daily reconciliation and approval of employee absences and time entries, including step-by-step instructions, designated responsibilities, and timelines to ensure consistency across all sites and departments.
3. Require payroll to issue a payroll calendar that includes firm deadlines for Frontline time entry, reconciliation, and final approval.
4. Require employees to report their own absences directly in Frontline and limit reporting by secretaries to clearly defined extenuating circumstances.
5. Phase out the use of sign-in sheets once the new electronic timekeeping system is fully implemented and staff have received adequate training on it.
6. Ensure that pay stubs show accurate leave balances by assigning a designated payroll employee (e.g., the benefits and payroll specialist) to monitor and resolve discrepancies between leave balances in Frontline and those shown on employee pay stubs.

BEST HCM System Implementation

The district's transition to LACOE's HCM software, part of the BEST system, represents a significant operational shift with broad implications for payroll, personnel, and related workflows. Successful implementation of an enterprise system like BEST requires early planning, cross-departmental coordination, and sustained involvement from all users. Without these elements, districts risk data inconsistencies, workflow disruptions, and lowered confidence in system reliability.

At the time of FCMAT's fieldwork, the district had not fully defined how payroll and human resources staff would participate in the HCM implementation process. Staff at sites and in other departments also reported receiving little to no communication about the project. This lack of planning and engagement appears tied to recent and ongoing turnover in key business services and human resources positions.

Absent structured coordination and timely training, the district risks significant challenges during the transition, including delays, data entry errors, workflow disruptions, and staff confusion — all of which could negatively affect payroll and human resources operations. Clearly defined roles and responsibilities, comprehensive training, and effective communication methods for human resources and payroll staff are essential to minimize disruption and support a smooth and effective system transition.

Recommendations

The district should:

1. Engage payroll and human resources staff in all phases of the HCM implementation, including planning, system configuration, testing and deployment.
2. Establish regular cross-departmental meetings to coordinate HCM implementation efforts.
3. Designate key leadership staff (e.g., assistant superintendents) to lead and oversee planning activities within payroll and human resources.
4. Provide comprehensive training on HCM features, workflows and user responsibilities to all affected staff prior to system launch.
5. Clearly define, document and communicate the roles and responsibilities of payroll and human resources staff throughout the implementation process.

Accounts Payable

The Business Services Department is responsible for managing the district's accounts payable function, which involves accurately tracking outstanding amounts owed to vendors, verifying the proper authorization of payments, and ensuring those payments are processed timely and accurately. The process begins when goods or services are purchased from an approved vendor and concludes with the issuance of payment. Given the nature and volume of the work, both accounts payable and purchasing functions are inherently vulnerable to fraud and error. To mitigate these risks, school districts must implement and maintain robust internal controls that ensure only legitimate, properly authorized, and accurately invoiced purchases are processed for payment.

Accounts Payable Staffing

The Business Services Department includes two senior account clerks, both of whom have been in their current roles for less than one year. According to the job description posted for recruitment on August 19, 2024, these positions are responsible for a wide range of complex accounting functions, including accounts payable, accounts receivable, general ledger maintenance, and cafeteria and ASB accounting. In practice, one senior account clerk is primarily responsible for accounts payable, while the second focuses on a limited number of vendors, including some utilities.

The job description outlines several duties related to accounts payable, including:

- Auditing invoices; verifying invoices against purchase orders, receiving documents, and other records.
- Coordinating with sites and departments to resolve invoice and payment discrepancies.
- Issuing warrants and maintaining a revolving cash fund account.

Despite the complexity and risk associated with accounts payable work, both clerks received only minimal training — primarily from another employee within the department — and have not been provided with effective written procedures or a desk manual. This lack of structured onboarding and procedural guidance limits their ability to perform duties consistently and accurately, increasing the risk of processing errors and inefficiencies.

Although staff reported that some cross-training occurs to support coverage and continuity, it is informal and undocumented. While LACOE offers training on the BEST system's accounts payable module, based on the district's provided professional development records, neither clerk has participated in this training to date. However, the district does have access to a detailed BEST accounts payable training manual, which could be used to supplement formal training and support skill development.

Recommendations

The district should:

1. Ensure that both senior account clerks complete LACOE-provided training on the BEST system's accounts payable module to strengthen technical proficiency and system use.
2. Develop and maintain comprehensive written procedures or a desk manual for accounts payable processes to support internal controls, ensure consistency, and promote service continuity.

3. Implement a formal cross-training plan to enhance operational flexibility and ensure uninterrupted coverage of critical accounts payable functions during staff absences or transitions.

Purchasing Process

The Business Services Department coordinates with sites and departments to procure goods and services in accordance with Public Contract Code, Education Code, Government Code, and board policy. These legal and regulatory frameworks establish the requirements for school district purchasing, including thresholds for bidding, competitive quotes, and board approval.

The district's director of purchasing and warehouse position has been vacant since the end of the prior fiscal year, and the district is not actively recruiting to fill the role. In the director's absence, the purchasing and warehouse assistant, who has served in the position for approximately three years, is responsible for entering and maintaining vendor information in the BEST system and issuing purchase orders. Purchasing and warehouse staff indicated that they report to the director of maintenance, operations and transportation. However, oversight responsibility for purchasing compliance is unclear and may fall under the purview of the interim assistant superintendent of business services, the director of maintenance, operations and transportation, or the director of fiscal services.

At the site and department level, purchasing begins with the creation of an electronic requisition, known as an "XREQ" in BEST. These requisitions are routed through an approval workflow before the purchasing and warehouse assistant converts them into purchase orders. Final approval, provided by either the interim assistant superintendent of business services or the director of fiscal services, generates an electronic signature on the purchase order, which is then sent to the vendor by the purchasing and warehouse assistant. A list of new purchase orders and any change orders is submitted to the board for ratification at each of its meetings.

The administrative secretary for business services is responsible for creating requisition approval workflows in BEST; however, the district lacks a written workflow document outlining required approvers by funding source or purchase type. As a result, staff reported inconsistent approvals, duplicate reviews, delays, and in some cases, missing approvals — especially for purchases involving restricted or categorical funds. These gaps increase the risk of noncompliance and delays in procurement.

Staff also indicated that some expenditures, such as utility payments and employee reimbursements, are often paid without an associated purchase order. Requiring purchase orders prior to payment helps ensure expenditures are properly authorized, prevents budget overages, and supports year-end close. The district's 2022-23 and 2023-24 audit reports included findings that some cash disbursements lacked purchase orders, indicating a potential gap of documented pre-approval. The BEST system allows for payments without a purchase order through its general accounting expense ("GAX") function, which may contribute to this control weakness.

In addition, the district's purchasing policies are outdated. Staff lack training or a purchasing manual for guidance. If the director of purchasing and warehouse position remains vacant or if purchasing functions become further decentralized, the development of a comprehensive purchasing manual will be critical to ensure consistent procedures and compliance with board policy, state laws, and applicable regulations.

Recommendations

The district should:

1. Consider recruiting and hiring a qualified director of purchasing and warehouse to restore centralized oversight of purchasing operations and ensure compliance with board policy, state laws, and applicable regulations.
2. If the director of purchasing and warehouse position remains vacant or is eliminated, formally assign purchasing oversight to a specific administrator (e.g., the interim assistant superintendent of business services or the director of maintenance, operations and transportation) and clearly communicate this assignment to all staff.
3. Create and maintain a written requisition workflow chart that outlines all required approvals, including variations based on funding source and expenditure type; provide the workflow document to all applicable site and department staff.
4. Ensure that all purchases, including recurring services and employee reimbursements, are supported by an approved purchase order prior to payment to ensure proper authorization and budget encumbrance.
5. Restrict the use of GAX payments to true exceptions; require documentation justifying any GAX payment made without a purchase order and ensure appropriate pre-approval is obtained through the BEST system workflow.
6. Revise and adopt updated board policies and administrative regulations related to purchasing to support current district practices and ensure alignment with applicable laws and regulations.
7. Create a districtwide purchasing manual that outlines purchasing procedures, roles and responsibilities, and compliance requirements.
8. Provide ongoing training to all employees involved in requisitioning, approving, and processing purchases to ensure consistent understanding and application of district procedures and legal requirements.

Credit Cards

Credit cards are typically used by school districts to make purchases from vendors who do not accept purchase orders or to expedite transactions, such as those related to travel and conferences. As with all purchases, credit card use should be accompanied by a purchase order and require prior approval.

The district is transitioning from a standard Bank of America credit card to the CAL-Card, a state-sponsored purchasing card issued through the California Department of General Services. CAL-Cards offer greater purchasing control by restricting allowable vendors through merchant category codes and enabling customized user limits. These features reduce the risk of misuse while providing flexibility to support legitimate district purchasing needs.

To date, the district has issued five CAL-Cards to staff, including the superintendent, assistant superintendents, and the executive director of adult education. In addition, the district maintains separate credit cards for use with specific vendors, such as Smart & Final and The Home Depot.

It is unclear who is responsible for overseeing the credit card program and assigning cards, setting or reviewing spending limits, or ensuring that cardholder limits align with program or department needs. It is also unclear whether purchase orders or prior approval are consistently required before making credit card purchases. These issues reflect a broader breakdown in oversight caused by outdated policies, the absence of formal procedures, and the ongoing vacancy of the director of purchasing and warehouse position, which was previously responsible for centralized procurement management.

As a result, the district is at an increased risk of unauthorized or inappropriate expenditures, noncompliance with internal controls, and reduced fiscal accountability. A review of recent credit card statements indicates that most purchases are for travel and conference expenses, subscription and membership fees, and food for meetings and events. FCMAT noted purchases at Smart & Final and The Home Depot made using CAL-Cards, even though the district has separate cards for these vendors. In addition, most purchases — regardless of program — appear to be made using the CAL-Card issued to the executive director of adult education.

The district does not require employees to sign a cardholder agreement acknowledging proper use expectations and consequences for misuse. Furthermore, the department's credit card policy and procedures are outdated and do not reflect current practices or provide clear guidance on allowable expenditures. A sample purchasing card policies and procedures document is included in Appendix D for reference.

One of the two senior account clerks in business services is responsible for reconciling credit card statements with corresponding invoices and receipts. Currently, credit card payments are recorded under object code 5220 (travel and conference expenses) instead of 5221 (credit card holding). The senior account clerk then creates a journal entry to reallocate the payment to the correct expense accounts. Using a dedicated account (i.e., credit card holding) for the initial credit card payment would improve expense tracking accuracy and support budget monitoring of object code 5220.

Recommendations

The district should:

1. Revise and adopt an updated board policy and administrative regulation governing credit card use, clearly specifying allowable and prohibited purchases.
2. Assign the director of fiscal services to oversee implementation of its credit card program, conduct annual reviews, and update credit card policies and procedures as needed.
3. Require a purchase order or documented prior approval for all credit card purchases.
4. Develop and require all applicable employees to sign a credit card user agreement annually.
5. Use the CAL-Card system's available spending controls to restrict prohibited expenditures and facilitate monthly statement reviews.
6. Designate a single CAL-Card within the Business Services Department for general purchasing needs.
7. Consider consolidating all credit card use under the CAL-Card program and closing store-specific credit cards.
8. Monitor credit card usage and adjust individual spending limits as needed.
9. Record initial credit card payments in a designated credit card holding account (e.g., object code 5221).

Accounts Payable Payment Process

The payment process begins when a vendor submits an invoice, typically via the district's dedicated accounts payable email address, and ends with the issuance of payment. To safeguard against unauthorized disbursements, best practices call for pre-approved purchase orders, matching of invoices to purchase documentation (e.g., purchase orders and contracts), and verified authorization prior to issuing payment.

The district uses the BEST financial system, which offers three primary methods for processing payments depending on the type of transaction, each of which records the expenditure and creates a payable in the system:

- **Matching Payment Request (PRM):** Automatically generated for purchase orders with a two-way[1] or three-way[2] match.
- **Purchase Request Commodity (PRC):** Manually created by the senior account clerk for no-match[3] purchase orders.
- **General Accounting Expense (GAX):** Used for direct payments without an associated purchase order.

When PRM or PRC payments are finalized, the system liquidates all or a portion of the encumbered amount and updates the related purchase order accordingly.

Most purchase requisitions are initiated by site and department secretaries, but these individuals do not participate in the matching process. Goods are typically delivered to the district warehouse, where the purchasing and warehouse assistant records receipt in BEST. Warehouse staff then distribute the goods to the appropriate locations.

Invoices are forwarded by the senior account clerk to the appropriate purchaser for approval, when necessary. The senior account clerk enters invoices daily into BEST, attaches supporting documentation (such as executed contracts), and validates payment requests before submitting them to the interim assistant superintendent of business services for final approval and submission to the county office. The county office audits a sample of payments based on amount, object code, and random selection. The senior account clerk reviews the county office's daily suspense register to identify any payments placed on hold.

Once disbursements are returned from the county office, the same senior account clerk prepares physical checks for signature. It is unclear whether the designated check signer reviews the supporting documentation before authorizing payment. While the board has approved a resolution identifying the superintendent, assistant superintendents, and director of fiscal services as authorized signers, the interim assistant superintendent of business services serves as the district's primary signer. Once the checks have been signed, the senior account clerk mails them to vendors.

[1]A two-way match requires the purchase order and invoice to match before vendor payment. The receipt of goods or services is verified off-line.

[2]A three-way match requires the purchase order, receiving and invoice documents to match before vendor payment and is verified in the system.

[3]No-match purchases do not require the purchase order and invoice to match before vendor payment. The receipt of goods or services is verified off-line.

Some staff reported delays in vendor payments, attributed in part to a backlog present when the current senior account clerks were hired. The 2022-23 audit report included a finding that some disbursements lacked approved purchase orders. The 2023-24 audit report repeated this finding and noted additional discrepancies, including purchase orders approved for amounts lower than the invoice and payments issued that did not match invoices. These issues reflect both procedural weaknesses and the flexibility of the BEST system, compounded by staff turnover and insufficient oversight.

The district's use of GAX payments, along with a lack of training and the inconsistent application of purchase order matching, weakens internal controls. These practices increase the risk of unauthorized, erroneous, or unbudgeted expenditures and undermine the district's ability to maintain compliance with established procurement policies.

Recommendations

The district should:

1. Develop written procedures for accounts payable to establish a system of internal checks and balances, ensuring that no single employee is responsible for initiating, processing, and reconciling the same transaction.
2. Divide accounts payable duties between the senior account clerks to strengthen internal controls (e.g., the senior account clerk preparing invoices for payment should not also handle check signing or mailing for the same payments).
3. Reassign responsibility for reviewing and approving payments to the director of fiscal services, rather than the interim assistant superintendent of business services; ensure that payment amounts match invoice totals and comply with supporting purchasing documents (e.g., purchase orders and contracts), before payments are submitted to the county office.
4. Designate the interim assistant superintendent of business services as the primary check signer, with another assistant superintendent assigned as back up; ensure all check signers receive and review supporting documentation before authorizing payment.
5. Provide training to all staff involved in purchasing and accounts payable functions, including their roles and responsibilities, step-by-step procedures, and documentation requirements.
6. Monitor invoice processing timelines regularly and proactively address any backlogs to minimize payment delays.

Accounts Receivable

The accounts receivable function manages the collection of payments made or owed to the district, including retiree healthcare contributions, cafeteria sales, child development fees, lost book charges, developer fees, facility use charges, donations and reimbursements from external entities. Basic activities include invoicing, depositing funds, recording revenue, reconciling cash accounts, managing accruals, and tracking payment schedules for federal, state, and local funding. Effective accounts receivable procedures are essential to protect district assets, prevent fraud, and ensure accurate financial reporting.

Accounts Receivable Staffing

As discussed previously, the Business Services Department employs two senior account clerks, both of whom have been in their roles for less than one year. According to an August 2024 job posting, these positions are responsible for a range of accounting functions, including accounts receivable. In practice, one clerk performs the majority of accounts receivable duties, while the other primarily handles cafeteria deposits.

Relevant duties from the job description include:

- Preparing and reporting deposits and returns; counting and reconciling cash; and reconciling bank accounts.
- Preparing and maintaining state and federal claims for reimbursement; generating invoices; monitoring accounts receivable; and collecting payments.
- Collecting developer fees.

Training for both senior account clerks was minimal and provided informally by another business services employee. They have limited access to written procedures and do not have a desk manual to guide daily tasks. As a result, they must rely on peer instruction and institutional knowledge, which can lead to inconsistencies and errors. While some informal cross-training occurs, it is not structured or documented, reducing the department's ability to ensure continuity during absences or transitions.

The absence of formal training, clearly documented procedures, and structured cross-training increases the risk of processing errors, inefficiencies, and gaps in internal controls. Strengthening these foundational elements is essential to ensure the accuracy and reliability of the district's accounts receivable operations.

Recommendations

The district should:

1. Develop detailed written procedures or a desk manual for accounts receivable to strengthen internal controls, standardize practices and support operational continuity.
2. Establish a formal cross-training plan to ensure adequate coverage of critical accounts receivable functions during staff absences or transitions.

Accounts Receivable Process

A senior account clerk is responsible for generating and distributing invoices to individuals and external organizations. Most receivables consist of reimbursements from ASB, booster organizations or payments from entities such as the Department of Rehabilitation. The district does not use the BEST system's integrated accounts receivable module; instead, invoices are manually tracked in a spreadsheet. This reliance on disconnected systems increases the likelihood of data entry errors, delayed follow-up, and missed payments.

Full implementation of the BEST accounts receivable module could streamline invoice management, automate payment posting, and support real-time reporting. These features align with best practices in accounts receivable management and would strengthen internal controls by reducing reliance on spreadsheets, minimizing manual processes, and improving the accuracy and timeliness of collections.

Payments are typically received by mail or hand-delivered to the Business Services Department by sites and departments. Developer fees are collected at the district office by the senior account clerk. These payments are recorded in a spreadsheet that includes the date received, collector's name, amount, payment description, payment method (check or cash), and deposit date into the district's general fund clearing account.

The same senior account clerk is also responsible for preparing and delivering most deposits to the bank, which typically occurs once a week. ASB and adult education program staff make their own deposits into separate bank accounts; however, there is no consistent oversight or formal review of these external accounts or deposits by the Business Services Department. This lack of centralized monitoring increases the risk of misapplied, delayed, or improperly recorded deposits.

After deposits are made, the senior account clerk enters the corresponding transactions into the BEST system. However, this often occurs after the deposit clears the bank, which can delay timely posting of revenues and increase the risk that discrepancies go unnoticed. In one case, a department reported a missing deposit, only to discover it had been posted to the incorrect account — highlighting the operational risk created by delayed and inconsistent recording practices.

Effective internal control structures call for segregation of duties among custody, recording and reconciliation activities. However, the district's senior account clerk is responsible for all stages of the accounts receivable process, from invoice creation and payment collection to deposits, system-entry and reconciliation. This lack of segregation increases the risk of fraud, undetected errors and irregularities.

Recent and ongoing turnover in key business services leadership roles has further weakened oversight of accounts receivable activities, including those related to community facility use. Notes from the district's 2024 business services director meetings indicate that more than $75,000 in facility use fees remained outstanding from one community user. Around this time, the district implemented the Facilitron system to help manage facility use requests and associated payments, but the transition has not been accompanied by sufficient monitoring due to turnover in both the director of fiscal services and director of maintenance, operations and transportation positions.

Recommendations

The district should:

1. Strengthen internal controls by separating key duties within the accounts receivable process between the two senior account clerks, such as assigning bank reconciliations to staff who are not responsible for receiving or depositing those funds.
2. Record all accounts receivable entries in the BEST system upon receipt of funds.
3. Consider implementing the BEST system accounts receivable module to automate invoice tracking, support integrated reconciliation, and ensure accurate and timely reporting; enroll both senior account clerks in LACOE's related training.

4. Continue to maintain a control log to document all checks and cash at the time of receipt; use this log as the basis for preparing deposits.
5. Ensure that site and department personnel reconcile bank receipts from accounts receivable against their own records to verify that all collected funds have been accurately deposited.
6. Routinely review deposit backup documentation for ASB and adult education programs to confirm completeness, accuracy, and compliance with district procedures.
7. Conduct monthly reviews of all accounts receivable balances — including those generated by Facilitron — and follow up on outstanding amounts or delinquent invoices to ensure timely collection.

Cash Collection Procedures

As part of a district's broader internal control framework, consistent and secure cash collection procedures are essential for safeguarding assets and maintaining public trust. Industry standards call for uniform practices that include secure storage and transport, dual verification when counting cash, timely deposits, and appropriate documentation at each stage of the collection process.

The district has not established or enforced consistent cash handling procedures across all sites and departments. Staff interviews revealed inconsistencies in how payments are submitted to the Business Services Department. While some departments use locked bank bags to transport funds, others rely on standard business envelopes that do not provide adequate security. In addition, some staff reported storing cash and checks in locked desk drawers rather than in secure safes, which significantly increases the risk of loss or theft.

There is no clearly established or defined timeline for when collected funds should be delivered to business services, contributing to unnecessary delays and greater vulnerability for loss. Although staff are generally aware of the expectation that two individuals should be present when counting cash, this practice is not consistently documented, making it difficult to verify whether the control is always applied.

A review of the district's check and cash deposit log shows that cash collections are minimal. As of early April 2025, the district had collected approximately $13,700 in cash, mostly from weekly cafeteria sales and one large fundraiser totaling $6,793. Given the low volume of cash transactions, the district could evaluate whether accepting cash continues to be necessary.

The district previously intended to implement a remote deposit capture (RDC) system to improve the speed, accuracy and security of check deposits. However, this initiative stalled due to turnover in the director of fiscal services position. As a result, the district continues to rely on manual deposits, requiring two senior account clerks to transport deposits to the bank each week.

The lack of uniform procedures, secure storage protocols, documented controls, staff training, and automation limits the district's ability to safeguard funds and increases the risk of errors, inefficiencies, and potential misuse.

Recommendations

The district should:

1. Develop and implement standardized cash collection procedures for all sites and departments, including the required use of locked or tamper-evident bank bags and clearly defined timelines for submitting collected funds to the Business Services Department.

2. Require that all cash counting be conducted by two individuals, documented using approved forms signed by both parties.
3. Mandate that all collected funds be securely stored in locked safes or other designated secure locations until they are deposited.
4. Provide regular training to all relevant site and department staff on secure cash handling practices and internal controls.
5. Evaluate whether to discontinue accepting cash payments given the low volume currently collected.
6. Complete the implementation of an RDC system to reduce manual check handling, mitigate risk, and improve deposit efficiency.

Bank Account Reconciliations

The district's bank account reconciliation practices lack consistency, oversight, and accountability. Monthly bank reconciliations are fundamental internal controls designed to detect and prevent errors, omissions, or fraud in financial reporting. Best practices require that reconciliations be prepared by individuals independent of the original transaction and recording processes, signed and dated by both the preparer and a reviewer, and completed within two to three weeks of the statement date.

The district's Business Services Department is responsible for bank account reconciliation and oversight of all bank accounts. However, recent and ongoing turnover in key positions has led to a breakdown in these responsibilities. The district does not maintain a list of all open bank accounts and the staff members authorized to access them. As of fieldwork, the district reported 10 active bank accounts, including six ASB accounts and one each for adult education, food services, revolving fund, and the general fund clearing account used for deposits to the county treasury.

FCMAT requested bank statements and reconciliations for June 2024 and February 2025. The team's review identified significant gaps in reconciliation procedures and documentation. There was no evidence of oversight or review by business services staff for the ASB, adult education, or food services accounts. This lack of oversight has contributed to incomplete documentation and increased the risk that errors, misstatements, or misappropriation of funds may go undetected. In addition, the district relies on an external consultant to prepare some ASB reconciliations, which reduces internal capacity and weakens the district's control over routine and critical financial processes.

Specific concerns from the review include:

- **ASB Accounts —** The district could not provide February 2025 reconciliations for several ASB accounts. None of the reconciliations provided were signed, and at least one was completed more than a month after the statement date. The reconciliations are reportedly completed by either the high school ASB clerk or a contracted ASB consultant. It is unclear why the district continues to outsource this routine function. According to the May 8, 2024 board agenda, the consultant's term runs from July 1, 2024, through June 30, 2025, and is funded through the general fund.
- **Adult Education Account —** The district did not provide the February 2025 reconciliation. The June 2024 reconciliation was prepared by an adult education instructor and reviewed by the program director but was not completed until more than a month after the statement date. The reconciled cash balance as of June 30, 2024, was $374,623.83; however, the

district's 2023-24 unaudited actuals reported a $0 cash in bank balance for Fund 11 (Adult Education). According to the CSAM, cash held in banks outside the county treasury must be recorded using object code 9120 (cash in bank). This discrepancy indicates that the account's activity is not properly recorded in the financial system.

- **Food Services Account —** No reconciliations were provided for this account. The district reported that the food services account clerk is responsible for them, but no documented evidence of timely completion or review was provided.
- **District Accounts —** No reconciliation was provided for the revolving account, although FCMAT noted no activity during the review period. The reconciliation for the general fund clearing account lacked evidence of review or approval. As of June 30, 2024, the reconciled balance was $28,027.20, but the unaudited actuals for Fund 01 (General Fund) reported a $0 cash in bank balance. This indicates the district is not recording cash activity correctly. Instead of using object code 9120, the district reported using object code 9910 (suspense clearing), which is a nonoperating account not reported to the state. This practice does not comply with EC 41017 or CSAM guidance and hinders accurate financial reporting.

The absence of clear roles, timely reconciliations, and appropriate recording practices significantly weakens internal controls and increases the risk of undetected errors, fraud, or misstatements. Moreover, relying on external consultants for routine business office functions undermines the district's ability to build and maintain internal capacity.

Recommendations

The district should:

1. Assign a designated position within the Business Services Department to maintain a central log of all open district bank accounts and the individuals authorized to access and sign checks for each account; require this position to also verify monthly that each account has been properly reconciled and reviewed.
2. Ensure bank reconciliations are prepared by individuals who are independent of transaction processing, and require that all reconciliations are signed, dated, and reviewed within two to three weeks of the statement date; establish a process (e.g., a calendar with deadlines) for ASB and other programs to forward reconciliations to the Business Services Department.
3. Increase oversight of site and department bank accounts (e.g., ASB, adult education, and food services) to ensure compliance with district policies and procedures.
4. Ensure that all cash held in banks outside the county treasury is properly recorded in accordance with the CSAM.
5. Discontinue the use of external consultants to perform routine business functions, such as ASB bank reconciliations.
6. Develop and implement a standard reconciliation form to promote consistency and completeness across all accounts.
7. Establish clear policies requiring monthly bank reconciliations for all district accounts and define staff roles and responsibilities for monitoring, reconciling, and reviewing each account.
8. Conduct periodic internal audits of all reconciliations and associated documentation to verify compliance with district policies and ensure accuracy in financial reporting.

Appendices

Appendix A — Comparison of District 3000 Series Policies to Current CSBA Versions

Appendix B — Business Services Functions: Recommended Staff Assignments

Appendix C — Sample Budget Development Calendar

Appendix D — Sample Purchasing Card Policies and Procedures

Appendix E — Study Agreement

Appendix A — Comparison of District 3000 Series Policies to Current CSBA Versions

Policy Number	Type (BP/AR)	Title	CSBA Last Updated	District Last Updated
3100	BP/AR	Budget	December 2024	August 2023
3110	AR	Transfer of Funds	June 2022	October 2007
3111	BP	Deferred Maintenance Funds	N/A	October 2007
3230	BP/AR	Federal Grant Funds	March 2021	January 2020
3260	BP/AR	Fees and Charges	December 2022	October 2007
3270	BP/AR	Sale and Disposal of Books, Equipment and Supplies	September 2016	October 2007
3280	BP/AR	Sale, Lease, Rental of District-Owned Real Property	December 2024	October 2007
3290	BP/AR	Gifts, Grants, and Bequests	October 2018	October 2007
3300	BP	Expenditures and Purchases	July 2006	October 2007
3305	BP	Environmentally Preferable Purchasing	N/A	January 2009
3310	AR	Purchases	N/A	October 2007
3311	BP/AR	Bids	March 2025	August 2018
3312	BP	Contracts	March 2025	October 2007
3312.2	BP/AR	Educational Travel Program Contracts	July 2018	October 2007
3314	BP/AR	Payment for Goods and Services	BP - July 2007 AR - May 2016	October 2007
3314.2	BP	Revolving Funds	July 2010	October 2007
3320	BP/AR	Claims and Actions Against the District	December 2024	October 2007
3350	BP/AR	Conference & Travel Expenses	August 2013	September 2014
3350.1	AR	Travel Credit Card Use	N/A	September 2014
3350.2	BP/AR	Mileage Allowance	N/A	September 2014
3400	BP/AR	Management of District Assets/Accounts	December 2023	October 2007
3430	BP	Investing	March 2005	October 2007
3440	AR	Inventories	September 2016	October 2007
3451	AR	Petty Cash Funds	July 2006	October 2007
3452	BP	Student Activity Funds	March 2021	October 2007
3460	BP/AR	Financial Reports and Accountability	BP - September 2023 AR - December 2022	BP - October 2007 AR - July 2011
3511	BP/AR	Energy and Water Conservation	May 2019	October 2007
3511.1	BP/AR	Integrated Waste Management	June 2021	October 2007
3512	AR	Equipment	September 2016	October 2007
3513.3	BP/AR	Tobacco-Free Schools	July 2016	June 2018

Policy Number	Type (BP/AR)	Title	CSBA Last Updated	District Last Updated
3514	BP/AR	Environmental Safety	BP - May 2018 AR - May 2019	October 2007
3514.1	BP/AR	Hazardous Substances	BP - May 2018 AR - April 2013	October 2007
3514.2	AR	Integrated Pest Management	March 2018	October 2007
3515	BP/AR	Campus Security	December 2022	March 2021
3515.1	AR	District Key Policy	N/A	March 2021
3515.2	BP/AR	Disruptions	April 2016	October 2007
3515.4	BP/AR	Recovery for Property Loss or Damage	March 2019	October 2007
3515.5	BP/AR	Sex Offender Notification	December 2024	October 2007
3515.6	AR	Criminal Background Checks for Contractors	December 2021	October 2007
3516	BP/AR	Emergencies and Disaster Preparedness Plan	March 2024	May 2020
3516.1	AR	Fire Drills and Fires	November 2001	October 2007
3516.2	AR	Bomb Threats	December 2022	October 2007
3516.3	AR	Earthquake Emergency Procedure System	July 2016	October 2007
3516.5	BP	Emergency Schedules	March 2025	October 2007
3517	AR	Facilities Inspection	September 2024	October 2007
3530	BP/AR	Risk Management/Insurance	October 2020	October 2007
3540	BP	Transportation	December 2024	June 2024
3541	AR	Transportation Routes and Services	May 2018	June 2024
3541.1	AR	Transportation for School Related Trips	November 2011	June 2024
3541.2	BP	Transportation for Students with Disabilities	May 2016	June 2024
3542	AR	School Bus Drivers	August 2013	June 2024
3543	AR	Transportation Safety and Emergencies	December 2018	June 2024
3550	BP/AR	Food Service - Child Nutrition Program	March 2024	February 2023
3553	BP/AR	Food Services Operations - Free and Reduced Price Meals	March 2024	October 2007
3554	BP/AR	Other Food Sales	BP - November 2007 AR - December 2013	October 2007
3555	BP	Nutrition Program Compliance	March 2023	May 2021
3580	BP/AR	District Records	March 2025	October 2007
3580.1	AR	Email Retention Regulation	N/A	February 2016
3600	BP/AR	Consultants	March 2021	October 2007

Acronyms
BP - Board policy.
AR - Administrative regulation.
N/A - Not available.

Source: FCMAT.

Appendix B — Business Services Functions: Recommended Staff Assignments

Recommended Fiscal Services Assignments

Key: X=Assigned, R=Reviewer, B=Backup, U=Not Assigned

Business Services Functions	Frequency	Administrative Secretary	Assistant Superintendent of Business Services	Director of Fiscal Services	Accounting Technician II	Senior Account Clerk (2 FTE)*	Warehouse & Purchasing Assistant
Accounts Receivable (Cash Receipts, Invoicing, Deposits, Apportionments)							
Prepare, log and send invoices to collect funds owed to the district.	Daily	U	U	R	U	X-B	U
Open and sort incoming mail.	Daily	X	U	U	U	B-B	X (packages only)
Prepare receipt log.	Daily	X	U	U	U	B-B	U
Prepare bank deposits.	Weekly	U	U	U	U	X-B	U
Compare receipt log to bank deposit records.	Weekly	U	U	X	U	X-B	U
Transport deposits to bank. **Note:** Consider using a contracted service or RDC to eliminate this need.	Weekly	U	U	U	U	X-B	U
Assign general ledger accounts to receipts.	Weekly	U	U	R	U	X-B	U
Prepare cash receipt journals.	Weekly	U	U	R	U	X-B	U
Approve and post cash receipt journals in the financial system.	Weekly	U	B	X	U	U	U
Compare bank deposits with general ledger postings. **Note:** This should also be done by applicable sites or departments.	Monthly	U	B	X	U	U	U
Monitor the daily cash report.	Daily	U	U	R	X	U	U
Collect developer fees.	Daily	B	U	R	U	X-B	U
Update cash flow projections with actuals to date.	Monthly	U	U	R	X	U	U
Scan and file deposit receipts and supporting documentation.	Weekly	U	U	U	U	X-B	U
Maintain a list of bank accounts and authorized users.	As needed	X	U	B	U	U	U

Key: X=Assigned, R=Reviewer, B=Backup, U=Not Assigned							
Business Services Functions	**Frequency**	**Administrative Secretary**	**Assistant Superintendent of Business Services**	**Director of Fiscal Services**	**Accounting Technician II**	**Senior Account Clerk (2 FTE)***	**Warehouse & Purchasing Assistant**
Reconcile bank accounts.	Monthly	U	U	U	U	X-B	U
Review and approve bank account reconciliations.	Monthly	U	B	X	U	U	U
Reconcile cash held in the county treasury.	Monthly	U	U	U	U	X-B	U
Prepare federal cash management data collection (CMDC) system reports.	Quarterly	U	U	R	X	U	U
Prepare cash flow projections.	Budget/ Interims	U	R	X	U	U	U
Review general ledger revenues and cash receipts in the financial system.	Monthly	U	B	X	U	U	U
Purchasing & Receiving Functions							
Access blank purchase order (PO) stock. **Note:** Using system-generated POs.	U	U	U	U	U	U	U
Control and assign purchase requisition numbers. **Note:** The system generates these numbers.	U	U	U	U	U	U	U
Control PO numbers. **Note:** The system generates these numbers.	U	U	U	U	U	U	U
Create purchase requisitions. **Note:** Develop a policy regarding who may create requisitions.	Daily, By Sites/ Department	X (for Department)	U	U	B	U	U
Set up financial system access and authorization controls.	As needed	X	U	R	B	U	U
Review financial system access and authorization controls after updated employment changes (e.g., resignations).	Annually	X	U	R	B	U	U
Set up approval workflows for purchase requisitions and POs.	As needed	X	R	B	U	U	U
Enter and update vendor information. **Note:** Access should be restricted from accounts payable staff.	As needed	X	R	B	U	U	X (B-warehouse driver)
Approve requisitions. **Note:** First approval should come from a department or program manager, routed by account code.	Daily	U	X (establish $)	X (for review)	X (for budget)	U	X (to process into PO)
Assign appropriate general ledger account numbers.	Daily	U	NA	R	X	U	U

Key: X=Assigned, R=Reviewer, B=Backup, U=Not Assigned							
Business Services Functions	**Frequency**	**Administrative Secretary**	**Assistant Superintendent of Business Services**	**Director of Fiscal Services**	**Accounting Technician II**	**Senior Account Clerk (2 FTE)***	**Warehouse & Purchasing Assistant**
Compare proposed expenditures to available budget.	Daily	U	NA	R	X	U	U
Approve POs. **Note:** POs should print with approval signature(s).	Daily	U	X	B	U	U	U
Issue POs and send to vendors. **Note:** All payments should be tied to a PO, direct payments are discouraged.	Daily	U	U	U	U	U	X (B-warehouse driver)
Receive items in the warehouse.	Daily	U	U	U	U	U	X (B-warehouse driver)
Issue and sign receiving documentation. **Note:** The requestor may also serve in this role.	Daily	U	U	U	U	U	X (B-warehouse driver)
Reconcile and monitor outstanding POs.	Monthly	U	U	R	U	X-B	U
Accounts Payable (Cash Disbursements)							
Match invoices to supporting documents (e.g., contracts, POs, receipts).	Daily	U	U	U	U	X-B	U
Review invoices for accuracy.	Daily	U	U	U	U	X-B	U
Enter and process invoices in the financial system for payment.	Daily	U	U	U	U	X-B	U
Approve invoices for payment. **Note:** Includes reviewing complete packet for payment.	Daily	U	B	X	U	U	U
Access to check stock. **Note:** Secure check stock in safes (for district-specific bank accounts).	Daily	U	U	X	B	U	U
Print checks. **Note:** Checks are printed by the county office.	Daily	U	U	U	U	U	U
Work with the county office to clear payments held for audits.	Daily	U	U	U	U	X-B	U
Sign checks received from the county office. **Note:** Recommend that all assistant superintendents be authorized check signers.	Daily	U	X	U	U	U	U
Access authorized signature stamps. **Note:** Not recommended.	As needed	U	U	U	U	U	U

Key: X=Assigned, R=Reviewer, B=Backup, U=Not Assigned							
Business Services Functions	**Frequency**	**Administrative Secretary**	**Assistant Superintendent of Business Services**	**Director of Fiscal Services**	**Accounting Technician II**	**Senior Account Clerk (2 FTE)***	**Warehouse & Purchasing Assistant**
Receive checks from the county office and prepare them for mailing. **Note:** Someone other than staff who processed invoices.	Daily	B	U	U	U	X-B	U
Oversee the purchase card program (e.g., distribution, limits, policies).	Daily	U	B	X	U	U	U
Prepare and reconcile credit card expense transfers.	Monthly	U	U	R	U	X-B	U
Prepare Form 1099 reports.	Annually	U	U	R	U	X-B	U
Review and approve 1099 reports.	Annually	U	B	X	U	U	U
Scan and file payment packets.	Weekly	U	U	U	U	X-B	U
Ensure compliance with district policies, grant terms, and donor restrictions.	Daily	U	X	X	U	U	U
Review general ledger expenditures and encumbrances in the financial system.	Monthly	U	B	X	U	U	U
Prepare quarterly use tax filings.	Quarterly	U	U	R	U	X-B	U
Review and approve quarterly use tax filings.	Quarterly	U	B	X	U	U	U
General Accounting							
Initiate, prepare, and input journal entries (JEs) (e.g., expenditure transfers).	Daily	U	U	X	X	X-B	U
Review, approve, and post JEs (e.g., expenditure transfers).	Daily	U	B	X	U	U	U
Scan JE back-up documentation.	Daily	U	U	U	X	X-B	U
Set up and clear year-end close accruals.	At year-end	U	U	X	X	X-B	U
Review and approve year-end close transactions.	At year-end	U	B-R	X	U	U	U
Review general ledger expenditures and encumbrances in the financial system.	Monthly	U	B	X	U	U	U
Budget, Enrollment, Attendance and Financial Reporting							
Prepare state and federal restricted program reporting.	As needed	U	U	X	X	U	U

Key: X=Assigned, R=Reviewer, B=Backup, U=Not Assigned

Business Services Functions	Frequency	Administrative Secretary	Assistant Superintendent of Business Services	Director of Fiscal Services	Accounting Technician II	Senior Account Clerk (2 FTE)*	Warehouse & Purchasing Assistant
Review and approve restricted program reports.	As needed	U	X	X	U	U	U
Prepare funding applications for restricted programs.	As needed	U	U	X	X	U	U
Review and approve state and federal restricted program reports.	As needed	U	X	X	U	U	U
Respond to auditor requests for information.	As needed	U	X	X	X	X-B	U
Review and approve audit report drafts.	Annually	U	X	X	U	U	U
Prepare bond program reports.	As needed	U	X	X	U	U	U
Review and approve bond program reports.	As needed	U	X	X	U	U	U
Prepare adopted budget financial system entries.	Annually	U	R	X	X	U	U
Prepare first and second interim financial system entries.	Annually	U	R	X	X	U	U
Finalize budget, interim, and unaudited actuals SACS financial reports.	Annually	U	R	X	X	U	U
Prepare budget transfers and revisions in the financial system.	Daily	U	U	R	X	X-B	U
Review, approve and post budget transfers and revisions.	Daily	U	B	X	U	U	U
Prepare, review and approve board reports.	Monthly	X	X	U	U	U	U
Present board reports.	Monthly	U	X	B	U	U	U
Prepare LCAP reporting.	Annually, Midyear	U	B	X	U	U	U
Review and approve LCAP reporting.	Annually, Midyear	U	X	U	U	U	U
Prepare LCFF calculations.	Budget/ Interims	U	B	R	X	U	U
Prepare the annual budget development calendar.	Annually	U	R	X	U	U	U
Prepare multiyear financial reports using Projection-Pro.	Budget/ Interims	U	R	X	U	U	U
Set up school month calendars in the student information system (SIS). **Note:** With IT coordination.	Annually	U	R	R	X	U	U

Key: X=Assigned, R=Reviewer, B=Backup, U=Not Assigned							
Business Services Functions	**Frequency**	**Administrative Secretary**	**Assistant Superintendent of Business Services**	**Director of Fiscal Services**	**Accounting Technician II**	**Senior Account Clerk (2 FTE)***	**Warehouse & Purchasing Assistant**
Prepare and send enrollment and attendance reporting deadlines to sites.	Annually	U	U	U	X	U	U
Collect and analyze enrollment and attendance data monthly.	Monthly	U	U	R	X	U	U
Prepare state attendance reports for P-1, P-2, and annual periods, including any necessary revisions.	By Reporting Period	U	R	R	X	U	U
Prepare and update enrollment and ADA projections.	Budget/ Interims	U	R	X	U	U	U
Collect site bell schedules and confirm instructional minutes.	Annually	U	R	R	X	U	U

Note: Positions marked with an asterisk (*) should be cross-trained to perform the same duties, enabling them to serve as backups for one another. Duties should be appropriately divided to maintain proper internal controls.

Acronyms
ADA - Average daily attendance.
P-1 - First principal apportionment.
P-2 - Second principal apportionment.
LCAP - Local Control and Accountability Plan.
RDC - Remote deposit capture.
SACS - Standardized Account Code Structure.

Recommended Payroll Assignments

Key: X = Assigned, R = Reviewer, B = Backup, U = Unassigned

Business Services Functions	Frequency	Administrative Secretary	Assistant Superintendent of Business Services	Director of Fiscal Services	Accounting Technician II	Payroll Technicians (2 FTE)*	Benefits & Payroll Specialist
Payroll and Benefits							
Create employee record in the system. **Note:** Completed by the Human Resources Department.	Daily	U	U	U	U	U	U
Authorize salary and salary changes. **Note:** Completed by the Human Resources Department.	Daily	U	U	U	U	U	U
Update rate of pay in the system. **Note:** Completed by the Human Resources Department.	Daily	U	U	U	U	U	U
Terminate employee pay in the system. **Note:** Completed by the Human Resources Department.	Daily	U	U	U	U	U	U
Reconcile employee time sheets. **Note:** Completed by department, site and program managers.	Daily	X (for department)	B	R	U	U	U
Input, track, and monitor employee leave balances. **Note:** Completed by the Human Resources Department.	Daily	U	U	U	U	U	U
Input time to be paid into the system.	By Payroll	U	U	R	U	X	B
Set up employee payroll deductions.	By Payroll	U	U	R	U	X	B
Approve payroll input.	By Payroll	U	B	X	U	U	U
Compare time entry to output reports.	By Payroll	U	B	R	U	X	U
Print payroll checks. **Note:** Checks are printed at the county office of education.	By Payroll	U	U	U	U	U	U
Sign payroll checks. **Note:** Assistant superintendents serve as backup signers.	By Payroll	U	X	U	U	U	U

Key: X = Assigned, R = Reviewer, B = Backup, U = Unassigned

Business Services Functions	Frequency	Administrative Secretary	Assistant Superintendent of Business Services	Director of Fiscal Services	Accounting Technician II	Payroll Technicians (2 FTE)*	Benefits & Payroll Specialist
Distribute payroll checks. **Note:** Distribution should be completed by someone other than payroll staff.	By Payroll	X	U	U	U	U	B
Maintain custody of unclaimed checks. **Note:** Store securely in the business services safe.	By Payroll	U	B	X	U	U	U
Coordinate collection of payroll overpayments.	By Payroll	U	U	R	U	B	X
Determine employee and retiree benefit eligibility. **Note:** Completed by the Human Resources Department.	By Payroll	U	U	U	U	U	U
Add employees and retirees to benefit vendor records/invoices. **Note:** Completed by the Human Resources Department.	By Payroll	U	U	U	U	U	U
Terminate benefits for employees and retirees. **Note:** Completed by the Human Resources Department.	By Payroll	U	U	U	U	U	U
Reconcile benefits enrollment with vendor invoices.	Monthly	U	U	R	U	U	X
Prepare payroll vendor payments and tax remittances.	By Payroll	U	U	U	U	B	X
Review and approve vendor and tax payments.	By Payroll	U	B	X	U	U	U
Prepare W-2 and ACA year-end reports.	By Payroll	U	U	R	U	U	X
Prepare state and federal payroll tax filings.	By Payroll	U	U	R	U	U	X
Review and approve state and federal payroll tax filings.	By Payroll	U	B	X	U	U	U
Prepare STRS and PERS contributions reports.	By Payroll	U	U	R	U	U	X

Key: X = Assigned, R = Reviewer, B = Backup, U = Unassigned

Business Services Functions	Frequency	Administrative Secretary	Assistant Superintendent of Business Services	Director of Fiscal Services	Accounting Technician II	Payroll Technicians (2 FTE)*	Benefits & Payroll Specialist
Review and approve STRS and PERS reports.	By Payroll	U	B	X	U	U	U
Reconcile STRS and PERS contributions with payroll and the general ledger.	Monthly	U	U	R	U	U	X
Reconcile payroll and benefits expenditures and encumbrances between the general ledger and the financial system.	Monthly	U	B	X	U	U	U
Position Control							
Update PC Products LLL and Labor systems.	Daily	U	U	B	X	U	U
Update Helios workflows.	Daily	U	U	B	X	U	U
Assign and monitor position numbers.	Daily	U	U	R	X	U	U
Maintain the master position control account/master employee list, including FTE, funding source, location, status (e.g., filled or vacant).	Daily	U	U	R	X	U	U
Reconcile YTD payroll data to budget and position control account/master employee list. **Note:** Completed by the Human Resources and Business Services departments.	Budget/ Interims	U	U	R	X	U	U

Note: Positions marked with an asterisk (*) should be cross-trained to perform the same duties, enabling them to serve as backups for one another. Duties should be appropriately divided to maintain proper internal controls.

Acronyms
ADA - Average daily attendance.
ACA - Affordable Care Act.
FTE - Full-time equivalent.
PERS - Public Employees' Retirement System.
STRS - State Teachers' Retirement System.
YTD - Year-to-date.

Source: FCMAT.

Appendix C — Sample Budget Development Calendar

Budget Development Calendar

Date	Position(s)/Department Responsible	Activity/Action
December/January	Director of Fiscal Services/ Assistant Superintendent of Business Services	Prepare and present draft budget development calendar to executive cabinet.
December/January	Director of Fiscal Services/ Assistant Superintendent of Business Services	Provide budget development training to school sites and departments.
January	Auditors/ Assistant Superintendent of Business Services	Present prior year's audit report for board approval. **(Board Meeting)**
January	Superintendent/ Assistant Superintendents/ Director of Fiscal Services	Attend School Services Workshop - Governor's Budget Proposal.
January	Assistant Superintendent of Business Services	Project preliminary enrollment for budget year (ongoing grade level and incoming TK-K).
January	Assistant Superintendent of Business Services	Discuss implications of Governor's Budget and second interim outlook.
January	Assistant Superintendent of Human Resources/ Assistant Superintendent of Business Services	Review position adjustments (step and column, FTEs, costs) and staffing needs for budget year.
January	Director of Fiscal Services/ Business Services Department	Reconcile actuals through January 31 for second interim report.
February/March	Business Services Department	Prepare second interim report: • Reconcile payroll, position control and budget data. • Review and clear outstanding accounts payable and receivable balances. • Update LCFF calculator with revised ADA estimates. • Analyze YTD revenues, expenditures and encumbrances. • Prepare first interim budget adjustments. • Update multiyear financial and cash flow projections. • Prepare reports for board presentation.
February	Assistant Superintendent of Human Resources	Process resignations and nonrenewals of employment.
February	Assistant Superintendent of Human Resources/ Assistant Superintendent of Business Services	Meet with school sites on FTE staffing requirements.
February	Assistant Superintendent of Human Resources/ Assistant Superintendent of Business Services	Present preliminary personnel actions (e.g., layoff approvals) for board approval. **(Board Meeting)**
February/March	Assistant Superintendent of Educational Services/ Assistant Superintendent of Business Services	Update LCAP schedule and hold student/community input meetings.

Date	Position(s)/Department Responsible	Activity/Action
March	Assistant Superintendent of Business Services/ Director of Fiscal Services	Present second interim budget for board approval. **(First Board Meeting)**
February/March	Director of Fiscal Services	Send budget worksheets and instructions to all sites and departments.
March	Assistant Superintendent of Human Resources	Issue board-authorized March 15 layoff notices (if needed).
March	Principals/ School Site Councils	Sites develop budgets in collaboration with site councils and LCAP goals.
March/April	Assistant Superintendent of Business Services/ Director of Fiscal Services/ Principals/ Department Managers	Sites and departments submit budget requests and meet with the Business Services Department.
April	All Departments	Review contracts to determine renewal and nonrenewal options.
April	Assistant Superintendent of Business Services/ Assistant Superintendent of Human Resources/ Director of Fiscal Services/ School Sites and Departments	Reconcile budget year FTEs.
April/May	Superintendent/ Governing Board/ Budget Advisory Committee/ Assistant Superintendent of Business Services	Hold budget study session(s) to review budget outlook and LCAP.
May	Assistant Superintendents/ Director of Fiscal Services	Attend School Services Workshop - May Revision Proposal.
May	Assistant Superintendent of Business Services/ Business Services Department	Set purchase order cutoff date for current year and review open purchase orders for year-end closing.
June	Assistant Superintendent of Business Services/ Assistant Superintendent of Educational Services/ Superintendent/ Governing Board	Present LCAP and preliminary budget reflecting May Revision impact and conduct LCAP Public Hearing. **(First Board Meeting)**
June	Assistant Superintendent of Business Services/ Director of Fiscal Services	Present LCAP and final budget for board approval. **(Second Board Meeting)**
July/August	Business Services Department	Close financials for the prior fiscal year: • Review final revenues and establish accounts receivable and unearned revenue entries. • Review YTD expenditures and set up accounts payable and liabilities. • Prepare documentation for unaudited actuals report.
June/July	Assistant Superintendent of Business Services/ Director of Fiscal Services	Begin processing purchase orders for budget year.
August	Assistant Superintendent of Business Services/ Director of Fiscal Services	Prepare 45-day budget revision (if needed) based on enacted state budget.

Date	Position(s)/Department Responsible	Activity/Action
August	Assistant Superintendent of Business Services/ Assistant Superintendent of Human Resources/ Director of Fiscal Services/ School Sites and Departments	Reconcile current year FTEs.
September	Assistant Superintendent of Business Services/ Director of Fiscal Services	Present prior year's unaudited actuals report for board approval. **(First Board Meeting)**
October	Director of Fiscal Services/ Business Services Department	Reconcile actuals through October 31 for first interim report.
November/December	Business Services Department	Prepare first interim report: • Reconcile payroll, position control and budget data. • Review and clear outstanding accounts payable and receivable balances. • Update LCFF calculator with revised ADA estimates. • Analyze YTD revenues, expenditures and encumbrances. • Prepare first interim budget adjustments. • Update multiyear financial and cash flow projections. • Prepare reports for board presentation.
December	Assistant Superintendent of Business Services/ Director of Fiscal Services	Present first interim budget for board approval. **(First Board Meeting)**

Acronyms
TK - Transitional kindergarten.
K - Kindergarten.
FTEs - Full-time equivalents.
LCFF - Local Control Funding Formula.
ADA - Average daily attendance.
YTD - Year-to-date.
LCAP - Local Control and Accountability Plan.

Source: FCMAT.

Appendix D — Sample Purchasing Card Policies and Procedures

PURCHASING CARD POLICIES AND PROCEDURES

Purpose

To expedite the purchase and accounting of travel and low-cost or specialized items, the Monrovia Unified School District may issue purchasing cards to a limited number of employees when there is sufficient benefit to the district. Cards are issued by the Business Services Department upon request from the appropriate department administrator. Issuance is limited and must be supported by clear justification and demonstrated need. Credit limits are established by the Business Services Department based on administrator recommendations and the specific requirements of the program or department.

Eligibility and Cardholder Responsibilities

Only full-time, permanent employees of the district are eligible to receive a purchasing card. Cardholders must review and agree to all terms and conditions governing card use. Upon receipt, cardholders must sign the card and assume personal responsibility for ensuring its appropriate use, including resolving disputes with vendors. Cardholders are personally liable for unauthorized or improper charges.

Revocation or Suspension of the Purchasing Card

Purchasing cards remain the property of the issuing bank and may be suspended or revoked at the discretion of the district. The assistant superintendent of business services may suspend or revoke a card for any of the following reasons:

- Use for personal or unauthorized purposes.
- Purchase of alcohol or prohibited goods or services.
- Unauthorized use of the card by another individual.
- Attempting to bypass transaction limits by splitting purchases.
- Use of another cardholder's card to bypass transaction limits.
- Acceptance of personal gifts or gratuities from vendors.
- Purchase of gifts or gift cards.
- Failure to obtain required approval(s).
- Failure to submit purchase documentation by the [enter deadline] of the following month.
- Noncompliance with accounting or documentation requirements.
- Repeated violations of district purchasing policies.
- Exceeding assigned spending limits or charging to unauthorized accounts.
- Violation of card use restrictions for three consecutive months.

Purchase Limits and Budget Responsibility

Each purchasing card is assigned specific credit limits and usage restrictions. Cardholders are responsible for ensuring sufficient budget availability prior to making any purchase. All transactions must be appropriate for district operations, fall within budget allocations, and comply with district policies and procedures. The district and the issuing bank are not liable for personal or unauthorized charges.

Lost or Stolen Cards

In the event a purchasing card is lost or stolen, the cardholder must immediately notify the Business Services Department. A written report documenting the circumstances of the loss or theft must follow the initial notification.

Best Practices for Card Use

To safeguard against misuse, fraud, or accounting discrepancies, cardholders are expected to exercise responsible stewardship of their purchasing cards. The following practices are required to maintain card security, ensure the integrity of financial transactions, and support compliance with district policies:

- Keep the card in sight during use.
- Never sign blank receipts.
- Destroy carbons and voided receipts.
- Save all receipts for monthly reconciliation.
- Report any questionable charges in writing.
- Never lend the card or leave it unsecured.
- Avoid exposing the card number in unsecured communications.
- Share the card number only with trusted, verified vendors.

Receipt and Invoice Requirements

All receipts and invoices must be itemized and include the following details:

- Description of each item.
- Quantity purchased.
- Unit price.
- Sales tax (if applicable).
- Shipping costs (if applicable).
- Total purchase amount.

Payment and Reconciliation Procedures

The procedures below ensure timely and accurate reconciliation of purchasing card transactions and proper allocation of expenses to district budget accounts.

- Charges are posted to designated budget accounts upon receipt of monthly card statements.
- Statements are reviewed by designated program administrators for accuracy and appropriateness.
- Managers must verify the amount and purpose of each transaction using the original itemized receipt(s).
- A complete reconciliation package, including the statement and all supporting receipts, must be submitted to accounts payable by [enter deadline] of the month following the statement date.

Centralized Processing and Card Usage Guidelines

Departments are encouraged to centralize purchasing processes to ensure efficiency, compliance, and accountability. Designated support staff may be authorized to use purchasing cards assigned to department administrators for approved transactions.

Approved purchasing card use includes:

- Purchases under [enter dollar amount or specific transaction limits here].
- Travel-related expenses, excluding meals.
- Car rentals with prior written approval.
- Subscriptions and Amazon purchases (authorized only on assistant superintendent cards).
- Workshop catering, with appropriate documentation.
- Sole-source purchases from vendors that do not accept purchase orders.
- Urgent purchases related to safety, health, or student needs, with pre-approval from the assistant superintendent of business services.

Prohibited Uses

To ensure compliance with district policies, state regulations, and sound fiscal management practices, purchasing cards may only be used for authorized, district-approved purposes. Certain purchases are strictly prohibited to prevent misuse, avoid unnecessary expenditures, and uphold accountability. Cardholders are responsible for understanding and complying with the following restrictions.

Purchasing cards may not be used for:

- Transactions exceeding [enter dollar amount or specific limit here] (except as noted).
- Meals, personal purchases, or nonbusiness-related expenses.
- Gift cards.
- Equipment purchases (typically valued at $500 or more with a useful life exceeding one year).
- Communication devices or services (e.g., cell phones, pagers, data plans).
- Internal district services (e.g., printing).
- Individual or institutional memberships.
- Computer hardware or software.

Cardholder Agreement

I, ________________________________, have read and agree to abide by the **Monrovia Unified School District Purchasing Card Policies and Procedures**. I understand that accepting a district-issued purchasing card includes the responsibility to follow all stated guidelines, and that revocation of the card does not release me from any outstanding obligations.

Employee Signature: ________________________________ **Date:** ___/___/____

Authorized Single Transaction Limit: $ ____________ **Monthly Limit: $** ________

Source: Adapted from the Kern County Superintendent of Schools.

Appendix E — Study Agreement

Docusign Envelope ID: 7FD9ADA3-4EE9-415C-A424-7D775C6C5E15

FCMAT
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
FOR MANAGEMENT ASSISTANCE

This study agreement, hereinafter referred to as Agreement, is made and entered into by and between the Fiscal Crisis and Management Assistance Team, hereinafter referred to as the Team or FCMAT, and the Monrovia Unified School District, hereinafter referred to as the Client; collectively, FCMAT and Client are hereinafter referred to as the Parties. This Agreement shall become effective from the date of execution hereof by FCMAT.

1. BASIS OF AGREEMENT

FCMAT provides a variety of services to local education agencies (LEAs) as authorized by Education Code (EC) 42127.8(d). The Client has requested that the FCMAT assign professionals to study specific aspects of the Client's operations. The professionals will include FCMAT staff and may include professionals from county offices of education, school districts, charter schools, community colleges, other public agencies or private contractors. All professionals assigned shall work under the direction of FCMAT. All work shall be performed in accordance with the terms and conditions of this Agreement.

FCMAT will notify the Client's county superintendent of schools of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

1. Review operational processes and procedures in the Business Services Department and make recommendations for improved efficiency, if any, in the following areas:

   - Budget development.
   - Budget monitoring.
   - Position control.
   - Payroll.
   - Accounts payable.
   - Accounts receivable

2. The Team will present the final report to the district's board of trustees at a public meeting following the completion of the review.

B. Services and Products to be Provided

1. Orientation Meeting
   The Team will conduct an orientation session at the Client's location to brief the

V01092024

Client's management and supervisory personnel on the Team's procedures and the purpose and schedule of the study. This orientation meeting is normally held at the beginning of fieldwork for the study.

2. Fieldwork
   The Team will conduct fieldwork at the Client's office and/or school site(s), or other locations as needed. Limited fieldwork may also be conducted remotely via telephone or videoconferencing services, in addition to the Public Safety Considerations outlined in Section 13 below.

3. Exit Meeting
   The Team will hold an exit meeting at the conclusion of the fieldwork to inform the Client of the status of the study. The exit meeting will include a review of the scope of work; outstanding items, including documents, data and interviews not yet received or held; and the estimated timeline for a draft report. The meeting will not memorialize details regarding findings because the Team's conclusions may change after a complete analysis is finished. Exceptions to this will be findings of immediate health and safety concerns for students or staff, and other time-sensitive items that include the potential for risk or exposure to loss.

4. Exit Letter
   Approximately 10 business days after the exit meeting, the Team will issue an exit letter briefly memorializing the topics discussed in the exit meeting.

5. Draft Report
   An electronic copy of a preliminary draft report will be delivered to the Client's point of contact identified below for review and comment.

6. Final Report
   An electronic copy of the final report will be delivered to the Client's point of contact and to the Client's county superintendent of schools following completion of the study. FCMAT's work products are public and all final reports are published on the FCMAT website.

7. Board Presentation
   Presentations to the Client's board are optional and are made at the request of the Client. If a board presentation is requested, it will be noted in the scope and objectives of the study or can be added as a change in scope at a later date.

8. Follow-Up Review
   If requested by the Client within six to 12 months after completion of the study, FCMAT, at no additional cost, will assess the Client's progress in implementing the recommendations included in the report. This follow-up support is primarily a document review-based study. Progress in implementing the recommendations will be documented to the Client in a FCMAT management letter. FCMAT will work with the Client on a mutually convenient time to return for follow-up support that is no sooner than eight months and no later than 18 months after the date of the final report.

3. **PROJECT PERSONNEL**

The personnel assigned to the study will be led by a FCMAT staff person (job lead) and will include at least one other professional. FCMAT will notify the Client of the assigned personnel when the fully executed copy of this Agreement is returned to the Client.

FCMAT will communicate to the Client any changes in assigned project personnel.

4. **PROJECT COSTS**

The cost for studies requested pursuant to EC 42127.8(d)(1) and 84041 shall be as follows:

A. $1,100 per day for each FCMAT staff member while on site conducting fieldwork. The cost of independent FCMAT consultants will be billed at their daily rate for all work performed. On-site is defined as either 1) physically at the Client's office or school site(s), or 2) in a scheduled virtual meeting with the Client's personnel, representatives or others associated with the scope of work pursuant to Section 13 below.

B. All out-of-pocket expenses, including travel and its associated costs, and miscellaneous items necessary to complete the scope and objectives of the study.

C. The applicable indirect rate at the time work is performed on the study will be added to all costs billed.

D. The Client will be invoiced for 50% of the not-to-exceed cost shown below following completion of fieldwork (progress payment) and the remaining amount shall be due upon the issuance of the final report or presentation to the Client's board, whichever is later (final payment). The Parties agree that changes documented in a revised study agreement may change the original not-to-exceed amount shown below. If changes are made before or during fieldwork, the new not-to-exceed amount documented in such a revised study agreement will constitute the basis for the progress payment. If changes are made after fieldwork, 100% of the total changed value documented in a revised study agreement, less progress payments made, will constitute the final payment due. All payments shall be due immediately based on the terms of the invoice.

Based on the scope and objectives of the study, the total not-to-exceed cost of the study will be $19,000.

E. Any change to the scope of work will affect the total cost. Changes may include, but are not limited to, delays, revisions to the scope of services, and substitution or addition of personnel. The need for changes shall be communicated by FCMAT to the Client in advance in the form of a revised study agreement.

Payments for FCMAT's services are payable to Kern County Superintendent of Schools, Administrative Agent, 1300 17th Street, City Centre, Bakersfield, CA 93301.

5. **RESPONSIBILITIES OF THE CLIENT**

A. Return current organizational chart(s) that show the Client's management and staffing structure with the signed copy of this Agreement. Organizational charts should be relevant to the scope of this Agreement.

B. Provide private office or conference room space for the Team's use during fieldwork.

C. Provide for a Client employee to upload all requested documents and data to FCMAT's online SharePoint repository per FCMAT's instructions. Provide FCMAT with the name and email of the person who will be responsible for collecting and uploading documents requested by FCMAT with the signed copy of this Agreement.

D. Provide documents and data requested on the Team's initial and supplementary document request list(s) by the date requested.

All documents and data provided shall be responsive to FCMAT's request, in quality condition, readable and in a usable form. With few exceptions, documents and data requested are public records and records maintained by LEAs in the routine course of doing business. Some data requested may require exporting LEA financial system reports to Microsoft Excel or another usable format agreed to by FCMAT.

All documents shall be provided to FCMAT in electronic format, labeled as instructed by FCMAT. Upon approval of this Agreement, access will be provided to FCMAT's online SharePoint repository, to which the Client will upload all requested documents and data.

E. Ensure appropriate senior-level staff are available for the orientation and exit meetings.

F. Facilitate access to requested board members, officers and staff for interviews.

G. Facilitate access to requested information and facilities to include, but not be limited to, files, sites, classrooms and operational areas for observation.

H. Review a draft of the report and return it to FCMAT by the date FCMAT requests with any comments regarding the accuracy of the report's data or the practicability of its recommendations. The Team will review this feedback in a timely manner and make any adjustments it deems necessary before issuing the final report.

I. Return the requested evaluation survey to FCMAT as described below.

6. **PROJECT SCHEDULE**

Time is of the essence. The Parties acknowledge that the goal of the scope and objectives of the study under this Agreement is to produce a timely and thorough report that adds value for the Client. To accomplish this goal, the Parties agree to communicate and mutually agree to honor established time commitments. These commitments include the Client providing requested documents, setting and keeping interview appointments and returning comments on the draft report consistent with the established project schedule.

The following project schedule milestones will be established by FCMAT upon receipt of a signed Agreement from the Client:

Docusign Envelope ID: 7FD9ADA3-4EE9-415C-A424-7D775C6C5E15

ACTION	TIMELINE
FCMAT provides the Client with a draft Agreement.	Draft Agreements are usually provided within 20 business days of the Client's initial request for services.
Client returns partially executed Agreement to FCMAT along with the applicable organizational chart and the name and email of the of person who will be responsible for collecting and uploading documents requested by FCMAT.	Draft Agreements are valid for 30 business days.
FCMAT returns a fully executed Agreement to the Client and identifies the project schedule and the lead and other personnel assigned to the job.	Within five business days of the Client's return of the signed Agreement.
Client uploads initial requested documents and data to FCMAT's online SharePoint repository.	Within 10 business days of the Client's receipt of the FCMAT document and data request list.
Fieldwork	Mutually agreed upon; usually, to commence within 10 business days of FCMAT's receipt of requested documents and data.
Orientation meeting	First day of fieldwork.
Exit meeting	Last day of fieldwork.
Follow up fieldwork, if needed (e.g., rescheduled interview, additional interviews).	Mutually agreed upon; usually, within five business days of FCMAT's request.
Client uploads supplemental documents and data to FCMAT's online SharePoint repository.	Within two business days of the Client's receipt of FCMAT's supplemental document and data request(s).
Draft report submitted to the Client.	To be determined, usually, within eight weeks of the conclusion of fieldwork and receipt of all documents and data requested.
Client comments on draft report	Within 10 business days of FCMAT providing a draft report to the Client.

The Client acknowledges that project schedule deadlines build upon and are contingent on each previous deadline. Missed deadline dates will affect future deadline dates and ultimately the timing of the final report. For example, if the Client does not provide requested documents and data by the specified date, the fieldwork may not be able to proceed as originally planned.

FCMAT acknowledges that the Client has an educational program to administer, is balancing many priorities, and in some cases may have records management difficulties, staffing capacity issues, staff on various types of leave, or other circumstances, all of which will affect the project schedule.

The Parties commit to regular communication and updates about the study schedule and work progress. FCMAT may modify the usual timelines as needed.

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

FCMAT will commence work as soon as it has assembled an available and appropriate study team, taking into consideration other jobs FCMAT has previously undertaken, assignments from the state, and higher priority assignments due to fiscal distress. The Team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the Client and any other related parties from which, in the Team's judgment, it must obtain information. Once the Team has completed its fieldwork, it will proceed to prepare a report. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a final report once fieldwork has been completed.

Prior to completion of fieldwork and upon written notice to FCMAT, the Client may terminate its request for service and will be responsible for all costs incurred by FCMAT to the date of termination under Section 4 (Project Costs). If the Client does not provide written notice of termination prior to completion of fieldwork, the Team will complete its work and deliver its final report and the Client will be responsible for the full costs.

FCMAT may terminate this Agreement at any time if the Client fails to cooperate with the requested project schedule, provide requested documents and data and/or make staff available for interviews as requested by FCMAT.

8. **INDEPENDENT CONTRACTOR**

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

9. **RECORDS**

The Client understands and agrees that FCMAT is a state agency and all FCMAT reports are public records and are published on the FCMAT website. Supporting documents and data in FCMAT's possession may also be public records and will be made available in accordance with the provisions of the California Public Records Act.

FCMAT has a records retention policy and practice, and every effort will be made to maintain records related to this Agreement in accordance with this policy.

10. **CONTACT WITH PUPILS**

Pursuant to EC 45125.1, representatives of FCMAT will have limited contact with pupils. The Client shall take appropriate steps to comply with EC 45125.1.

11. INSURANCE

During the term of this Agreement, FCMAT shall maintain liability insurance of not less than $1 million unless otherwise agreed upon in writing by the Client, automobile liability insurance in the amount required by California state law, and workers' compensation as required by California state law. Upon the request of the Client and receipt of the signed Agreement, FCMAT shall provide certificates of insurance, with the Client named as additional insured, indicating applicable insurance coverages.

12. HOLD HARMLESS

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

13. PUBLIC SAFETY CONSIDERATIONS

Whether due to public health considerations, extreme weather conditions, road closures, other travel restrictions or interruptions, shelter-at-home orders, LEA closures or other related considerations, at FCMAT's sole discretion, the Scope of Work, Project Costs, Responsibilities of the Client, and Project Schedule (Sections 2, 4, 5 and 6 herein) and other provisions herein may be revised. Examples of such revisions may include, but not be limited to, the following:

A. Orientation and exit meetings, interviews and other information-gathering activities may be conducted remotely via telephone, videoconferencing, or other means. References to fieldwork shall be interpreted appropriately given the circumstances.

B. Activities performed remotely that are normally performed in the field shall be billed hourly as if performed in the field (excluding out-of-pocket costs that can otherwise be avoided).

C. The Client may be relieved of its duty to provide conference and other work area facilities for the Team.

14. FORCE MAJEURE

Neither party will be liable for any failure or delay in the performance of this Agreement due to causes beyond the reasonable control of the party, except for payment obligations by the Client.

15. EVALUATION

In the interest of continuous improvement, FCMAT will provide the Client with an evaluation survey at the conclusion of the services. FCMAT appreciates the Client's honest assessment of the Team's services and process. The Client shall return the evaluation survey within 10 business days of receipt.

16. CLIENT CONTACT PERSON

The Client's contact person designated below shall be the primary contact person for FCMAT to use in communicating with the Client on matters related to this Agreement. At any time when this Agreement or FCMAT's process requires that FCMAT send information, document request lists, draft report or final report, or when FCMAT makes other requests for the Client to act upon, this is the person whom FCMAT will contact. The Client may change the contact person upon written notice to FCMAT's job lead assigned to the study.

Name: Paula Hart Rodas, Superintendent

Telephone: (626) 471-2010

Email: phartrodas@monroviaschools.net

17. SIGNATURES

Each individual executing this Agreement on behalf of a party hereto represents and warrants that he or she is duly authorized by all necessary and appropriate action to execute this Agreement on behalf of such party and does so with full legal authority.

For Client:

Signed by:
Paula Hart Rodas
DB587B1C7530440... 12/18/2024

Paula Hart Rodas, Superintendent Date
Monrovia Unified School District

For FCMAT:

Michael H. Fine Digitally signed by Michael H. Fine
Date: 2025.01.09 13:17:23 -08'00'

Michael H. Fine, Date
Chief Executive Officer
Fiscal Crisis and Management Assistance Team