FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Business Services Review

November 5, 2021

Siskiyou County Office of Education

Michael H. Fine
Chief Executive Officer

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

November 5, 2021

Kermith Walters, Superintendent
Siskiyou County Office of Education
609 South Gold Street
Yreka, CA 96097

Dear Superintendent Walters:

In March 2021, the Siskiyou County Office of Education and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a review of the county office'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
   - Accounts Payable
   - Accounts Receivable
   - Payroll
   - Credit Card Use
   - Travel Guidelines and Reimbursement
2. Evaluate the use of the QCC financial system to complete the functions listed above and make recommendations for improved efficiency, if any.
3. Conduct an organizational and staffing review of the Business Services Department internal and external positions, and make recommendations for improvement, if any.
4. Review job duties and evaluate the current workflow and distribution of functions in internal and external business services and make recommendations for improved efficiency, if any.
5. Prepare an analysis of the county office fiscal oversight provided to the 25 school districts and two charter schools in the county using FCMAT's County Office Evaluation Tool, and make recommendations for improvement, if any.

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

FCMAT appreciates the opportunity to serve the Siskiyou County Office of Education and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

Tamara Ethier
Intervention Specialist

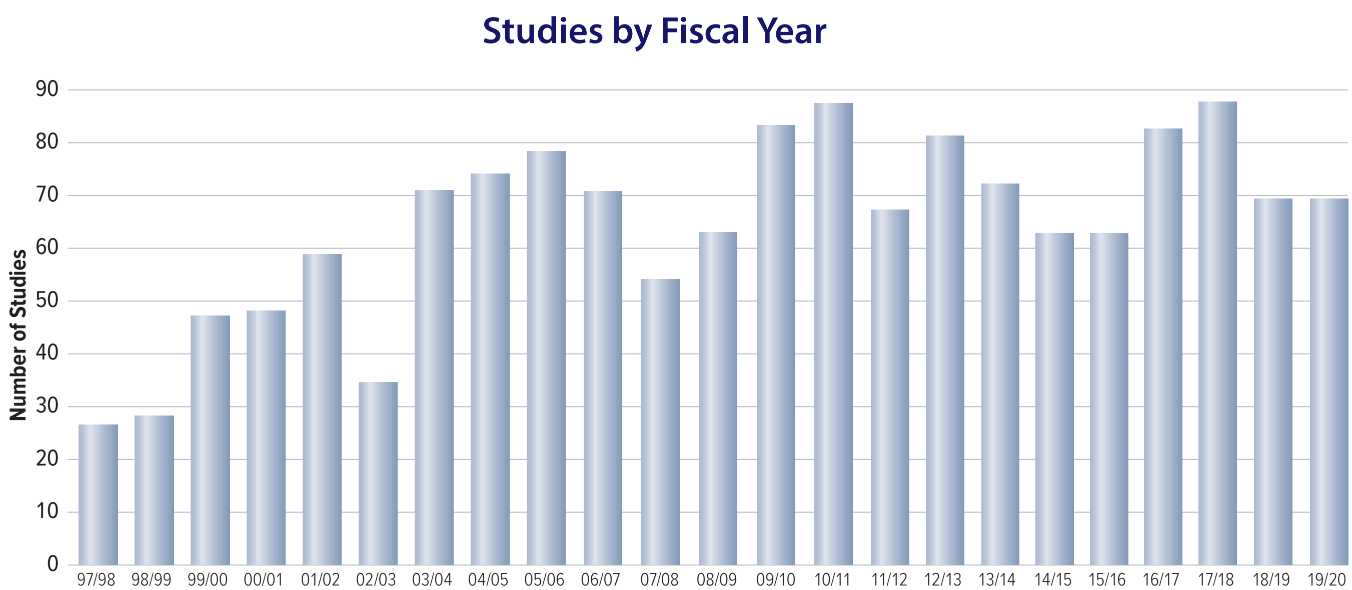
Table of Contents

About FCMAT

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

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

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



FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of K-14 LEAs and the implementation of major educational reforms. FCMAT also develops and provides numerous publications, software tools, workshops and professional learning opportunities to help LEAs operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) division of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS). CSIS also hosts and maintains the Ed-Data website (www.ed-data.org) and provides technical expertise to the Ed-Data partnership: the California Department of Education, EdSource and FCMAT.

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

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

In January 2006, Senate Bill 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

On September 17, 2018 AB 1840 was signed into law. This legislation changed how fiscally insolvent districts are administered once an emergency appropriation has been made, shifting the former state-centric system to be more consistent with the principles of local control, and providing new responsibilities to FCMAT associated with the process.

Since 1992, FCMAT has been engaged to perform more than 1,400 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

Background

The Siskiyou County Office of Education is in the city of Yreka, California and serves approximately 6,066 students at 25 districts and two charter schools. The Siskiyou County superintendent of schools collaborates with the superintendents of school districts to provide services and support the individual districts within its boundaries. The county superintendent is responsible for examining and approving school district budgets and expenditures.

The passage of Assembly Bill 1200 gave county superintendents additional powers to enforce sound budgeting and ensure the fiscal integrity of their districts. The county office provides support for its school districts by completing tasks that can be performed more efficiently and economically at the county level. The county office aids in formulating new curricula, staff development and training programs; offers business and personnel systems; and performs many other services to meet districts' needs and requirements. The county office provides services to many of its small districts that extend beyond the industry standards. In Siskiyou County, 19 of the 25 school districts receive direct business services from the county office of education. This means that the county office of education prepares all statutorily required reports during the fiscal year and maintains the districts' budgets.

Study and Report Guidelines

In March 2021, the Siskiyou County Office of Education and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a review of the county office's Business Services Department.

FCMAT visited the district on May 24 – 28 to conduct interviews with county office and school site 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, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

Study Team

The study team was composed of the following members:

Tami Ethier
FCMAT Intervention Specialist

Robbie Montalbano
FCMAT Intervention Specialist

Jennifer Stahlheber
FCMAT Consultant

Erin Lillibridge
FCMAT Intervention Specialist

Laura Haywood
FCMAT Technical Writer

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

Each team member reviewed the draft report to confirm accuracy and achieve consensus on the final recommendations.

Executive Summary

In addition to statutorily required actions, county offices of education exist to provide customer service and programmatic support for the districts they serve. In the area of business services, the Siskiyou County Office of Education (SCOE) is failing the districts in the county. Internal operations at SCOE are strained due to the interactions with the business office. Due to a culture of dysfunction and intimidation brought on by the business office leadership, even the simplest task becomes a hurdle.

Staff in the business office have been told not to talk to each other and not to give reports to program directors. A growing rivalry exists among staff performing the various business office functions. There is no teamwork or collaboration within the business office, which in turn can be felt by its customers.

Most policies have not been updated since the 1990s. As such, procedures mimic practices of over 30 years ago, such as requiring a paper warrant for employee travel to a hotel, and requiring original signature on requests for reimbursement and original receipts from travel. Internal policies for credit cards, cell phones and travel need to be updated and have been addressed in this report.

Staff across the districts in the county have not been properly trained to use the financial system. Also, the business department denies access to the financial system for most staff at the SCOE. The limited financial system access and infrequent reports provided for program staff prohibit effective planning and resource allocation to children.

The business office regularly questions programmatic decisions both at the SCOE and district level. Program directors and district superintendents report feeling that they do not get to administer their own programs due to the interactions and rejected attempts to process payables at SCOE. This oversteps the authority of the business office review function, which should exist to protect the entities from transactions not coded properly or perhaps lacking budgetary allowances to cover an expense.

SCOE provides accounting services including financial statement preparation to most of the districts in the county. The number of business office staff provided for this function is not sufficient to provide timely, quality service. The financial statements arrive late at the districts and, due to lack of staff, meaningful relationships between district staff and the SCOE employees preparing the financial statements are lacking.

Fiscal oversight performed by SCOE is poor. Staff responsible for this task are not trained. Some districts are missed completely during fiscal reviews. Reviews are marked complete before the financial statements have gone to the district boards.

Most SCOE staff have only worked in this environment and perceive this as typical business office behavior. With updates to staffing, policies, access to the financial system, and proper training, the business department at SCOE can improve its services to internal and external customers.

Findings and Recommendations

Organizational Structure and Staffing

County offices of education should be staffed according to the basic theories of organizational structure used in other school agencies of similar size and type. The most common of these theories are span of control, chain of command, and line and staff authority.

Span of Control

Span of control refers to the number of subordinates who report directly to a supervisor. Although there is no agreed-upon ideal number of subordinates for span of control, the span can be larger at lower levels of an organization than at higher levels because subordinates at lower levels typically perform more routine duties, and therefore can be more efficiently supervised.

Chain of Command

Chain of command refers to the flow of authority in an organization. Chain of command is characterized by two guiding principles: unity of command, meaning that a subordinate is accountable to only one supervisor, thus eliminating the potential for an employee to receive conflicting direction and instruction from a variety of supervisors; and the scalar principle, meaning that subordinates at every level in the organization follow the chain of command and only communicate through their immediate supervisor. The result is a hierarchical division of labor in the organization.

Line and Staff Authority

Line authority is the relationship between supervisors and subordinates and refers to the direct line in the chain of command. For example, in SCOE, the superintendent has direct line authority over the associate superintendent of business, and the associate superintendent of business has direct line authority over the staff in the business department. Typically, there would be another level of line staff between the associate superintendent of business and the remaining business staff personnel. SCOE lacks this middle level of manager(s), which results in one person retaining direct line authority over 10 employees. Staff personnel do not have the authority to make and implement decisions; rather, they act in support roles to one single manager, the associate superintendent of business. A proper organizational structure of local educational agencies has both line and staff authority. Without additional middle level managerial support, the associate superintendent of business is unable to provide the proper support, training, or communication with the staff in the department.

A county office's organizational structure establishes the framework for leadership and the delegation of specific duties and responsibilities for all staff members. As the needs of the programs housed in the county office of education and need of the districts in the county change, the organizational structure in the business office should adapt as necessary to the changes.

Functional Alignment

An organizational chart is important because it shows the structure and the relationship of all positions to one another. This document is also necessary to identify the chain of command and the functional areas for which each staff member is responsible. For clarity and consistency, titles on the organizational chart should match those on the approved job descriptions.

The purpose of the organizational structure is to help county office administration make key decisions to support the districts in the county, provide proper oversight and assist with facilitating student learning while balancing internal financial resources. The organizational design should outline the management process and its specific links to the formal system of communication, authority, and responsibility necessary to achieve the organization's goals and objectives. Authority in a county office of education originates with the elected county superintendent, who serves as the employer of record and holds the responsibility to oversee and superintend the districts in the county. Through the superintendent, authority and responsibility are delegated to the county office's administration and staff.

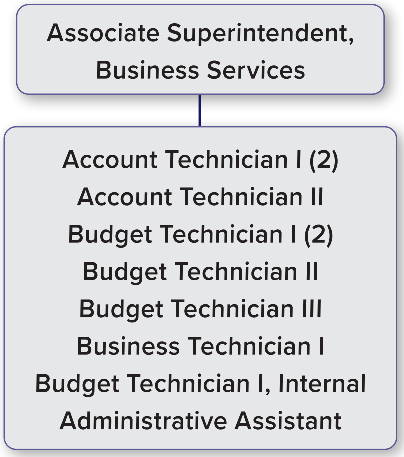
Management positions are typically responsible for supervising employees and overseeing work of the department for which they are responsible. They must ensure that staff members understand all county office policies and procedures and perform their duties in a timely and accurate manner. Managers must also serve as a liaison between their department and others to identify and resolve problems and design and modify processes and procedures as necessary. Management positions typically should not be responsible for the department's routine daily functions; these should be assigned to department support staff. In the business office at SCOE, the lead management position is often engaged in daily functions, depriving line staff and administration of support, problem solving and even simple communication. This has caused staff frustration, inefficiency and missed deadlines.

The SCOE business office organizational chart does not identify chain of command authority apart from the associate superintendent of business. Additionally, the department is not organized in a fashion that separates internal operations from external operations. External operations are those that support the districts in the county, from direct services to fiscal oversight. Internal operations are those that support the county office budget, services, and programs. Job descriptions and assigned duties at SCOE reflect blended internal and external operations across several positions. This is not typical or efficient operation for a county office of education. Not having the two types of business operations is detrimental for the department with regard to workflow, efficiency, cross training, and customer service for internal and external customers.

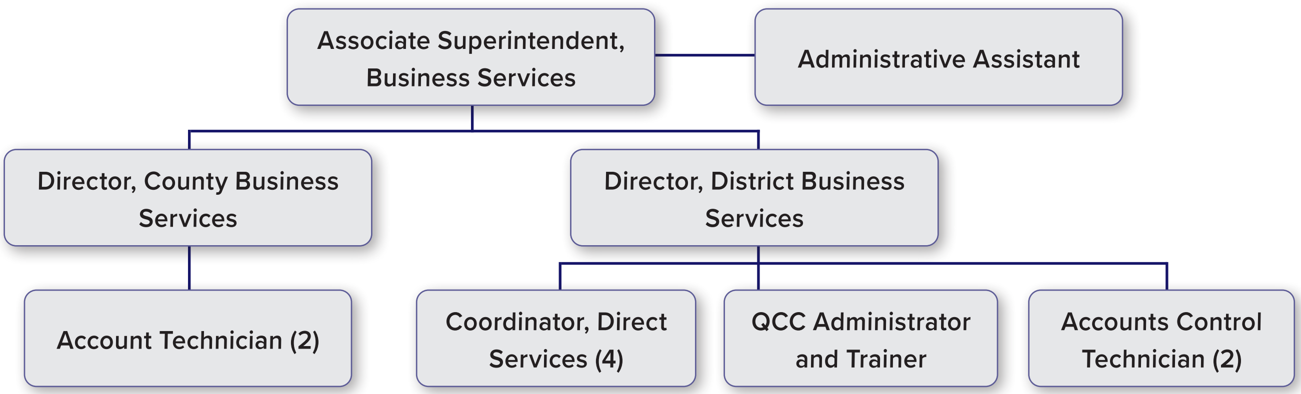
Job Titles and Descriptions

As shown in the proposed organizational chart below, creating two divisions in the business department necessitates a shifting of duties and changes to the job titles and descriptions. The tables below demonstrate the duties performed by the business office staff and the proposed shift to properly place the responsibilities in internal and external functions. The associate superintendent oversees all functions performed in the business office and supports the administration of the organization. The duties for the executive assistant remain primarily unchanged.

Current Organizational Chart, Siskiyou COE Business Office



Proposed Organizational Chart, Siskiyou COE Business Office



Internal Business

Director, County Business Services

The duties currently associated with the positions listed in the table below would become the responsibility of the director of county business services.

Current responsible position	Duty/description/task
Budget Technician III	Contract/MOU Review
Associate Superintendent of Business	County office budget, interim reports, year-end closing
Account Technician I	Early Head Start in-kind
Account Technician I	Early Head Start monthly reporting
Associate Superintendent of Business	Internal control compliance
Budget Technician III	Oversight for SCOE budget, Siskiyou Early Head Start (SEHS), Siskiyou Afterschool for Everyone (SAFE), SCOE grants
Budget Technician III	Purchase order/SCOE invoice approval
Budget Technician III	Review and approve monthly SEHS Policy Council reports
Budget Technician III	SCOE grant financial management and reporting
Associate Superintendent of Business	SELPA fiscal issues

Account Technician

The duties currently associated with the positions listed in the table below would become the responsibility of the account technician.

Current responsible position	Duty/description/task
Budget Technician III	Approve and file SCOE quarterly sales tax reports
Budget Technician III	Audit monthly SAFE claims
Budget Technician Internal	Cash and bank reconciliation
Budget Technician Internal	Cash transfers/journal entries
Budget Technician II	County office attendance
Business Technician I	County office payroll
Budget Technician Internal	Fixed asset/depreciation schedule
Executive Assistant	Home to school transportation preparation
Budget Technician Internal	Interest calculations
Budget Technician Internal	Journal entries
Budget Technician III	Journal entries (SCOE)
Budget Technician III	Medi-Cal Administrative Activities
Budget Technician Internal	Maintain records and files
Budget Technician III	Medi-Cal
Budget Technician Internal	Process A/R and manual deposits for SCOE
Budget Technician III	Reconcile joint powers authority bank statements
Account Technician I	SCOE accounts payable
Budget Technician III	SCOE budget revisions
Account Technician I	SCOE invoices
Account Technician I	SCOE purchase orders
Budget Technician Internal	Set up/clear receivables/payables
Budget Technician Internal	Special Education revenue and billback clearing

External Business

Director, District Business Services

The duties currently associated with the positions listed in the table below would become the responsibility of the director, district business services.

Current responsible position	Duty/description/task
Associate Superintendent of Business	AB1200 compliance
Associate Superintendent of Business	Audit coordination
Executive Assistant	Audit finding preparation
Associate Superintendent of Business	Fiscal oversight
Associate Superintendent of Business	Hard coding issues
Associate Superintendent of Business	Public disclosure documents
Associate Superintendent of Business	STRS and PERS golden handshakes

Coordinator, Direct Services

The duties currently associated with the positions listed in the table below would become the responsibility of the coordinator, direct services.

Current responsible position	Duty/description/task
Account Technician II	Bogus and Little Shasta contracts for A/P, A/R, payroll, CALPADS and attendance
Associate Superintendent of Business	District Local Control Funding Formula and revenue projections
Budget Technician I/II	For contracting districts: budget/interim reviews and multiyear projections
Budget Technician I/II	For contracting districts: balance sheet reconciliations
Budget Technician I/II	For contracting districts: budget development meetings
Budget Technician I/II	For contracting districts: budget revisions
Budget Technician I/II	For contracting districts: financial information to independent auditors
Budget Technician I/II	For contracting districts: journal entries
Budget Technician I/II	For contracting districts: year-end closing

Accounts Control Technician

The duties currently associated with the positions listed in the table below would become the responsibility of the accounts control technician.

Current responsible position	Duty/description/task
Business Technician I	ACH and deposits received by County Treasury
Business Technician I	Cash flow for payroll
Business Technician I	Cash in County Treasury
Business Technician I	For contracting districts: financial information to independent auditors
Business Technician I	Direct deposit of payroll checks
Account Technician I/II	District P/R and A/P warrant auditing
Business Technician I	Monthly CDE apportionment allocation
Business Technician I	Payroll tax deposits
Account Technician I	PERS reporting
Business Technician I	Quarterly payroll tax returns
Account Technician I	STRS reporting
Account Technician I	Voluntary deduction payment processing

HSS OASIS Administrator and Trainer

The duties currently associated with the positions listed in the table below would become the responsibility of the HSS OASIS administrator and trainer.

Current responsible position	Duty/description/task
Account Technician I	A/P warrant processing
Account Technician I	Payroll warrant processing
Business Technician I	HSS OASIS system questions/problems
Business Technician I	Backup for all account control technician duties

The changes described above are FCMAT's recommendations for efficient operations in a county office of education business department. As described in later sections of this report, the external business function at SCOE is understaffed. Final decisions regarding adding positions, shifting duties and implementation of a business office reorganization will ultimately be the decision of the Siskiyou county superintendent.

Planned Abandonment

It would benefit the county office to implement the management principle known as planned abandonment in its business office. Under this principle, tasks are evaluated systematically to determine whether they are still relevant and required. For example, COE staff and district employees indicated that the business office mandates many forms to be submitted with original signature, not accepting digital forms or copies of signed paperwork. This is time consuming, wastes district and COE resources and is not current practice for business offices. Implementing planned abandonment can help ensure that the tasks performed are necessary and still benefit the organization.

Recommendations

The county office should:

1. Reorganize staff to follow best COE business practices to define internal and external function positions with revised job descriptions.
2. Create two middle manager positions to distribute the supervisorial responsibilities between internal and external business functions.
3. Ensure that the associate superintendent of business can provide support for high level activities, delegating daily tasks to support staff.
4. Ensure that the associate superintendent of business can provide support to direct line staff as shown in the FCMAT proposed business services organizational chart.
5. Revisit activities where electronic versions or copies of documents are acceptable and discontinue the practice of requiring actual signatures on paper.

Internal Controls

Internal control systems are the foundation of sound financial management and allow districts to fulfill their educational mission while helping to ensure efficient operations, reliable financial information, and legal compliance. Internal controls also help protect the district from material weaknesses, serious errors, and fraud. All educational agencies should establish internal control procedures to do the following:

- Prevent management from overriding internal controls.
- Ensure ongoing state and federal compliance.
- Provide assurance to management that the internal control system is sound.
- Help identify and correct inefficient processes.
- Ensure that employees are aware of the proper internal control expectations.

To help build an effective internal control structure, districts should apply basic concepts and procedures to their transactions and reporting processes including, but not limited to, the following:

System of checks and balances

Formal procedures should be implemented to initiate, approve, execute, record, and reconcile transactions. The procedures should identify the employee responsible for each step and the time period for completion. Key areas of checks and balances include payroll, purchasing, accounts payable and cash receipts.

Separation of duties

Adequate internal accounting procedures should be implemented, and necessary changes made to separate job duties and protect the district's assets. No single employee should handle a transaction from initiation to reconciliation or have custody of an asset (such as cash or inventory) and maintain the records of related transactions.

Staff cross-training

More than one employee should be able to perform each job. All staff members should be required to use accrued vacation time, and another staff member should be able to perform those duties. Inadequate cross-training often is a problem even in the largest central offices.

Use of prenumbered documents

Checks, sales and cash receipts, purchase orders, receiving reports and tickets should be preprinted by an outside printer. Physical controls should be maintained over the check stock, cash receipt books and tickets. It is not sufficient simply to use prenumbered documents. A log of the documents and numbers should be maintained, and reconciliation performed periodically.

Asset security

Cash should be deposited daily, computer equipment should be secured, and access to supplies/stores, food stock, tools and gasoline should be restricted to designated employees.

Timely reconciliations

An employee who was not involved in the original transaction and recording process should reconcile bank statements and account balances monthly. For example, the employee who reconciles the revolving checking account should not maintain the check stock.

A system of internal control consists of policies and procedures designed to provide the governing board and management with reasonable assurance that the organization achieves its objectives and goals. Hard controls include separation of duties, management review and approval, and reconciliations. Soft internal controls include management tone, performance evaluations, training programs, and maintaining established policies, procedures and standards of conduct. SCOE lacks some of these elements, as indicated below and elsewhere in this report.

FCMAT has developed an extensive list of management standards, including those for financial and personnel management, for public school agencies. These standards address general functions such as policies and procedures; job descriptions; internal and external communication; internal control; orientation and training; accounting, payroll and purchasing. The COE would benefit from reviewing all the standards to ensure it meets them and to help develop best practices for its financial operations. The most recent list can be accessed here: https://www.fcmat.org/PublicationsReports/FCMAT-Standards-for-Comprehensives-3-2019.pdf

Desk Manuals, Training and Cross-Training

Clearly defined and communicated policies and procedures for each job duty, known as desk manuals, help ensure proper internal control and provide a better understanding of each position's responsibilities. Written internal processes and procedures offer valuable guidance and organizational continuity in case of employee absences and turnover and improve office functionality. A review of desk manuals in the department revealed inconsistencies with manuals that ranged from processes and procedures painstakingly detailed with handwritten and sticky notes to a six-page list of duties and where pens and pencils can be found. Additionally, employees reported the associate superintendent of business services directed staff to develop the provided manuals for FCMAT's visit. The lack of consistent accurate and detailed desk manuals is a liability to the business office functions at SCOE.

Staff members should create written step-by-step procedures for each of their tasks and have another staff member perform the procedure to determine if revisions are needed. These procedures should be updated as necessary and stored on an electronic shared drive for all support personnel to access as needed.

The COE would benefit from ensuring that staff members have received and continue to receive training for all their assigned areas of responsibility and that management provides clear direction and necessary oversight. The COE should continue to encourage staff to attend professional development opportunities and training activities to gain more in-depth knowledge in their assigned areas. Training is offered by several organizations including the California County Superintendents Educational Services Association (CCSESA), California Commission on Teacher Credentialing (CTC), Association of California School Administrators (ACSA), Cooperative Organization for the Development of Employee Selection Procedures (CODESP), Education Job Opportunities Information Network (EDJOIN), California Association of School Business Officials (CASBO), and School Services of California (SSC). Increasing staff communication and building relationships with other school business professionals through these types of organizations is beneficial to the COE.

Although some business office employees have prior experience with other business office job duties, cross-training is needed for key job functions to ensure that coverage is provided when employees are absent and when the workload is heaviest. It is important for more than one employee to be able to perform each major function in the business office. When staff members use accrued vacation time, another staff member should be able to perform those duties. Staff should be required to double-check each other's work in essential areas such as data entry in the position control system and payroll information. This will improve accuracy, workload balance, communication, teamwork, and customer service.

Separation of Duties

As mentioned above, no single employee should have control of a transaction from initiation through reconciliation, nor have control over an asset. During fieldwork, FCMAT discovered at least one program at the SCOE that lacks appropriate separation of duties. The SAFE (afterschool) program is solely in the hands of the budget technician III. This position receives attendance reports and expenditure reports from the participating districts, reimburses the districts for expenditures, prepares reports submitted to the California Department of Education (CDE), receives payments from the CDE, and has sole full access to the online reporting system for afterschool programs. All records and reports are kept in the private office of the budget technician III under lock and key. When the SAFE program manager asked the budget technician III for access to these files, she was denied. The SAFE program manager has not approved nor seen the quarterly reports being filed with the CDE. After fieldwork, upon multiple requests of the county superintendent, the files were still in the process of being moved from the private office to the program office.

The persistence of this staff member to retain full control of the program violates internal control rules regarding separation of duties, and increases the perception of and potential for fraudulent activity to occur. FCMAT did not review the SAFE program for fraud, but recommended a full audit of the program and separation of duties during the exit interview at the end of fieldwork.

Board Policies

Board policies and administrative regulations are based on laws contained in numerous codes including the Education Code, Government Code and Public Contract Code, as well as federal regulations, case law and individual district practice. They are the basis for the guidelines and directives used by a school district and its personnel to operate. A proper system of internal control includes board policies and administrative regulations that are current, well communicated and monitored for consistent implementation.

A review of the district's business, noninstructional operations and personnel policies and regulations indicate that many were last reviewed and revised in 1992. Per documentation provided to FCMAT, only 17% of the policies have been revised one or more times since the 1990s. Utilizing a service such as CSBA's GAMUT will ensure that policies and regulations are updated to align with current law. Out of date policies could lead to potential liabilities for the SCOE.

Recommendations

The county office should:

1. Review FCMAT's list of standards for financial and personnel management functions and ensure they are being met.
2. Assign staff members to complete desk manuals that include clearly defined step-by-step procedures for all of their job duties, update them as necessary and store them on an electronic shared drive.
3. Ensure that training is provided as necessary to district office support staff for their assigned areas of responsibility.
4. Cross-train staff in all major functions and ensure that work is double-checked in essential areas.
5. Ensure that separation of duties exists across all programs and procedures.
6. Update all board policies to align with current standards and laws.

Organizational Culture and Employee Morale

Organizational culture is broadly defined as the customs, rituals, and values shared by an organization that must be accepted by new members. Every local educational agency (LEA) has a unique culture shaped over time through leadership decisions and actions, both formal and informal, that influence the behaviors of its members and shape the professional learning community. An organization's culture may be positive, supporting and promoting the identified mission and goals; or it may be negative, preventing success and stifling progress toward improvement.

High employee morale can lead to better organizational culture and performance. Employee morale describes the overall emotional and mental outlook, satisfaction, and confidence that employees feel at work. Employees with high morale are engaged, motivated, and efficient. They willingly put in more hours and are more productive on the job. Conversely, employees with low morale are less engaged, and exhibit behaviors such as increased absenteeism, conflicts with coworkers, insubordination, decreased productivity, and less attention to detail.

The county office's published vision statement reads that it "provides quality assistance and resources to schools as they deliver equitable learning opportunities for all students through transformational professional development, educational support, health services, fiscal services, technology services, and community collaboration – as together we prepare students to be productive citizens of the 21st century." Its mission is "providing educational leadership, resources and services to districts and schools to ensure learning for all students."

According to the Business Services Guide published in January 2021, the Business Services Department's supporting vision statement is "to be a respected leader in knowledge, reliability, accuracy, efficiency, courtesy, ethics, transparency, continuous improvement and educative for our departments, schools, districts, and students."

FCMAT's interviews with county office employees and Siskiyou County school district leaders provided overwhelming evidence that the Business Services Department is failing to fulfill its critical functions in support of the organization's overall vision and mission. Under its current leadership, the department is suffering from severely low employee morale; employees consistently reported no confidence, enthusiasm, or discipline in performing their assigned duties. During interviews, staff indicated that the associate superintendent of business and budget technician III have been heard yelling at employees. Every school district and other county departments reported negative interactions with one or more Business Services employees, and an overall dissatisfaction with the quality of services provided.

Both county office employees and school district staff most often referred to challenges in working with the same two employees: the associate superintendent of business services and the budget technician III. Additionally, Business Services staff described an overall negative working environment filled with gossiping, intimidation, infighting, and interpersonal conflicts between individual employees and cliques within the department.

County office leaders, specifically the county superintendent, associate superintendent of business services, and other executive cabinet members are ultimately responsible for establishing a positive organizational culture; however, the lack of collaboration and the adversarial relationship existing between the associate superintendent of business services and other executive cabinet members was obvious during FCMAT's fieldwork.

Education is a people business, but the Business Services leadership does not prioritize, promote, or model positive relationship building within the department or with other departments or the county's school districts. Staff meetings in the business department have not been frequent and when scheduled, do not foster open communication. Business Services employees described feeling disconnected from others, having been directed not to provide reports or respond to department requests for information and specifically prohibited from visiting the school districts they serve.

Interviews indicated this crisis in leadership has been building for more than a decade, in part due to the elimination of mid-level management positions in the department, as well as a general lack of care, training, support, and tools for employees to successfully perform. All Business Services Department employees currently report to the associate superintendent of business services, and new employees reported having received no meaningful direction or attention to their performance. Instead, new employees have relied on their more experienced colleagues for guidance, even though long-time staff members have been instructed not to provide direction to new colleagues.

People are the organization's greatest asset. Investment in employees with the appropriate training and tools to perform at the highest levels should be a priority, yet employees reported little to no training or professional development within the department or provided to the school districts served. Business office staff reported that the organization has provided insufficient hardware (printers, computer) at the choice of the associate superintendent of business. This has in turn caused delays in services to districts and internal programs.

As its title suggests, the Business Services Department is in the business of serving the educational community. Whether preparing department budgets, facilitating purchases, paying employees and vendors, or preparing and presenting financial reports to the governing board, its services should be collaborative, accurate, helpful, and provided in a professional manner to all stakeholders. Low employee morale, negative organizational culture, lack of communication and poor customer experiences have resulted in the department's overall reduced credibility, lessened support, and diminished influence.

Recommendations

The county office should:

1. Accept accountability at the highest levels of county office leadership for the current crisis of organizational culture and employee morale. Immediately direct attention to the following to address organizational needs: strategic planning to re-establish a culture of service consistent with the county office's vision; goal setting and measurable actions to improve communication; and establishing processes, procedures, and systems to mend the current work environment and promote the organization's mission.

2. Develop a regular meeting schedule for Business Services Department employees. Provide employees with the opportunity to meet regularly and one-on-one with supervisors, as well as in smaller teams (e.g., project-specific) and with the entire department and other departments as needed. Through Business Services leadership, model and encourage open and transparent communication, soliciting and sharing feedback in an authentic manner.

3. Consider formal and informal ways to acknowledge and appreciate employees, including team-building activities and opportunities for recognition.

4. Hold all employees accountable for their behavior and conduct in the workplace.

5. Encourage staff to visit the communities they serve and schedule regular and ongoing site visits to enhance and promote the quality of services provided to the county's school districts.

6. Develop and implement a comprehensive training program for new employees and an ongoing professional development plan for all employees in the Business Services Department, including managers. Provide new employees with a position-specific manual (i.e., a desk manual) to address day-to-day and routine procedures. Offer each department employee the opportunity to develop, under the guidance of department leadership, an annual professional development plan to best address the needs of the county, improve technical skills, and build expertise.
7. Review all department equipment needs (cell phones, fleet vehicles to travel to school sites, laptops for working offsite, copiers, printers, and scanners). Provide all department employees with the resources and tools needed to effectively perform their duties.

Direct Service Districts

County offices of education often provide direct services to small school districts. These services typically include business, health, guidance, library, and supervision of instruction (K-8 only). The definition was set in Education Code Section 2550, which states that these direct service districts are defined as fewer than 901 (elementary), 301 (high school) and 1,501 (unified) students based on ADA. County offices of education received funding prior to 2013-14 for providing these services. This code section was repealed with the introduction of the Local Control Funding Formula in 2013-14; however, the needs of these small districts have not changed. In the cases of very small school districts, of which Siskiyou County has many, there isn't enough work to warrant a full-time chief business official.

SCOE has been providing direct business services to 19 of its 25 districts. Three full-time positions have been dedicated to serving these districts' needs related to budget development, SACS reports and general ledger transactions. During interviews with county office and district staff, it is evident that the current model for providing these services is failing the direct service districts. Several districts reported that they plan to discontinue the contract with the COE due to service issues. The completed budgets and interims are not provided in a timely fashion, often received by the district superintendent only hours before board meetings. This leaves the superintendent unprepared for a board presentation and does not give the board adequate time to review the financial statements prior to approval. The process of closing the books, also known as unaudited actuals reporting, has been submitted over two months later than the statutory deadline for many years.

The best practice for direct service is to have a single point of contact for the district at the county office. This promotes a strong relationship of trust and a sense of teamwork. While that may have been a goal at SCOE, it is not the practice. Of the three staff assigned to this work, only one was fully trained and has subsequently left the COE. Because this person was the only one fully trained, this staff member became the sole point of contact for interfacing with the superintendents and discussing budget needs for all 19 districts. That left this employee with little time to help with data entry or financial statement preparation. The other two staff then split the workload between themselves but could not meet the statutory deadlines while trying to prepare budgets, interims, and unaudited actuals reports for 19 districts. Industry standard for this type of work would be no more than four districts assigned to a single point of contact at a COE. This would require SCOE to employ five full-time staff assigned to direct service districts, with all fully trained in all aspects of budget development and financial statement preparation.

Of note, the three employees who prepared the financial statements also performed the fiscal oversight for the same districts. This practice diminishes the function of county office oversight and proper internal controls. This topic is discussed further in the Fiscal Oversight section of the report.

Recommendations

The county office should:

1. Increase the number of budget technicians (proposed job title of coordinator, direct services) from three to four, with five being preferable.

2. Ensure that all staff are properly trained in budget development, general ledger transactions and financial statement preparation.

3. Meet all statutory deadlines when performing financial statement preparation for the districts and provide ample time for the district administration and boards to review financial statements prior to board meetings.

Other COE Functions

School District Accounts Payable Processing

County offices of education are responsible for the fiscal oversight of school districts operating within the county boundaries. This oversight includes statutory requirements regarding the orders drawn against school district funds for payroll and commercial warrants. Education Code Section 42636 authorizes county offices to examine or audit each order on school district funds to ensure it is properly drawn to pay legally authorized expenses.

The SCOE website contains a detailed commercial warrant claims manual dated November 2008. In addition, the District Business Services Guide dated January 11, 2021, details the accounts payable warrant processing objectives, policies, and procedures for school district employees. The county office produces commercial warrants twice a week on Tuesdays and Thursdays and provides for a special batches process to accommodate any payment that may need to be expedited (e.g., credit card bills, travel payments, invoices that would be late if paid after the next board meeting date).

District staff reported varying times for the county office to process accounts payable; some districts indicated regularly writing “special batch” on the envelope to ensure timely payment. Not all districts were aware that doing this would yield a more timely result. In general, FCMAT’s interviews with county office and school district employees indicated account technicians have attempted to accommodate individual district requests or special circumstances surrounding accounts payable processing. However, school district leaders reported that county office feedback often goes beyond technical compliance (e.g., budget amounts and account coding) and into questioning school district administrative decisions. In some instances, school district leaders reported conflicting guidance on allowable expenditures (e.g., food purchases for school events prohibited by some technicians and allowed by others). School district administrators reported making eligible district purchases with their personal funds to avoid the unreasonable scrutiny of the business office.

Recommendations

The county office should:

1. Discontinue the practice of questioning school district administration about accounts payable transactions beyond statutory technical compliance.

Utilization of Financial System

The county office uses Harris School Solutions (HSS OASIS), formerly known as Quintessential School Systems (QSS/QCC), as its financial system. User manuals are posted on the county office website and include the QSS Management Guide, QSS Payroll Screen Maintenance and QCC Report Directory and Information. The SCOE Business Services Procedures Manual states, “Technical information and training is available through the use of the QCC on-line manuals, Help + Video, the System Manager, or System Manager’s submission of an on-line request ticket to QCC. Group webinars are provided for Business Services staff when needed.”

Documents revealed that not all managers have access to HSS OASIS. In at least one case, repeated requests for access were ignored. Staff reported being told that the software was “too complicated for” non-business department users. Without proper access to the financial system, the online manuals are use-less to the departments. The few managers who have access to the financial system can look up account balances and run financial reports as needed. Managers may choose to use HSS OASIS to print to a PDF for easy electronic transmission and storage. Providing access to HSS OASIS saves time for the budget technician III and department managers and decreases printer paper and ink expenses.

HSS OASIS software modules and capabilities are available to district and COE users. Aside from very few staff having access to the software at the COE level, the biggest issue noted during interviews and fieldwork is the complete lack of training of both district and COE staff on how to use the software and interpret reports. All staff, COE and district interviewed during fieldwork showed a desire to learn all facets of the financial system.

Position control is a key module in HSS OASIS that the districts do not use. Salary and benefits are major components of any LEA budget. Accurately projecting these costs requires a reliable position control system to prevent over- or under-budgeting of staffing expenditures. For position control to be fully functional, the system should be integrated with other financial modules such as payroll and budget, and ideally with the financial system to support encumbrances of salary and benefits. Position control allows an organization to control and maintain staffing levels by focusing on authorized positions rather than number or names of employees. Position control can exist in a variety of manners from sophisticated integrated management information systems to Excel worksheets to a manual log for a very small LEA. The existence of a position control system is essential, and its nonexistence is considered a high risk factor in analyzing an LEA's fiscal health. The districts have not been offered training to implement or maintain this valuable tool, although the COE utilizes this module for its own use. The lack of a financial system integrated with position control increases the risk of insolvency.

SCOE also does not utilize the absence tracking module. This module can accrue leave and record employee absences. Staff can identify a variety of leave groups for different types of employees such as teachers, management, and administrative staff. Each employee is assigned to their identified leave group that defines the classifications for accruing and recording absence transactions. Annually, users can transfer over the prior year amount of each employee's sick leave and vacation balances, and reset balances such as bereavement or personal leave that are not typically allowed to be carried forward. Implementing the absence tracking module can assist the county in accruing sick leave balances as required under the Healthy Workplaces, Healthy Families Act of 2014 (AB 1522). This legislation provides that certain employees, including substitute and temporary employees who work for 30 or more days within a year, are entitled to paid sick leave after their 90th day of employment. The employer must record employees' balances on their pay stub or a document issued with their pay stub, and must keep records of the hours earned and used for a period of three years. SCOE does not report leave balances on pay stubs.

Recommendations

The county office should:

1. Provide access to the financial system for all appropriate managers and staff.
2. Train district and COE personnel in all areas of the HSS OASIS software.
3. Assist the districts in the setup and maintenance of the position control module.
4. Implement the absence tracking module and provide leave balances on employee paychecks.

Budget Development and Monitoring

Budget Development

The budget communicates how the county office plans to achieve its educational goals and objectives. The document is also the primary way the administration demonstrates its use of public resources to the community. According to the Siskiyou County Office of Education Business Services Procedures Manual, "The budget is a planning guide for the receipt of revenues and the disbursement of expenditures. Only with responsible planning can the county office maintain the integrity of its education programs and the credibility of its expenditures."

LEAs align their budget with the Local Control and Accountability Plan (LCAP), which prioritizes each LEA's goals and the actions to achieve those goals. The process used to develop the budget, and the format of the related documents, are the key to ensuring those criteria are met. Budget development is a complex and detailed process that can begin as early as six months before the beginning of the budget year in many LEAs. Under the associate superintendent of business' leadership, budgets should be developed for each department in collaboration with their respective manager and staff. During budget development, positional changes are reviewed and updated in the position control system, and all other expenditures categories are reviewed for necessary changes from the prior year. All revenues are estimated, and the organization prioritizes its goals to ensure they are reflected in all expenditures.

The county office's associate superintendent leads the budget development process. Interviews indicated that managers meet with the budget technician III or the associate superintendent once during the development of the budget and then not again until the next year. In many LEAs, the business department often prepares budget development materials, provides budget workshops for staff, and is available to help as work progresses, resulting in a smooth and collaborative budgetary process. Staff from the county office described a budget process that includes a packet consisting of a financial system report with the prior year's actuals, the current year's budget and activity to date, and space for adjustments for the budget development cycle. These managers reported a short turnaround time (one to two weeks) to complete the requested budget information with budget packets including confirmation of costs and changes, due back to the business department in mid-May. The sample documentation submitted by the SCOE did not include any details for salary and benefits other than amounts. Managers need to know projected amounts of salary and benefits for their programs to create an accurate budget. Not including position control information for the departments both decreases accuracy of the budget and prevents departments from knowing what personnel costs are in their budgets. Managers also reported that no communication was received from the business office after the budget packet had been submitted either confirming or denying budgetary requests.

Best practice for new or expanded programs or grants involve a process where departments request personnel cost estimates from human resources based on best estimates of staff time and request indirect cost rates from the business department. Discussion follows concerning the new program/grant's impact on county office operations, matching fund obligations, allowable costs, allowable budget revisions, reporting requirements, tracking requirements, etc., and are ultimately approved or denied by the county superintendent or designee.

The county office's budget development calendar indicates that budget development begins in mid-April with the distribution of program budget packets at a "budget kickoff" meeting. This is late to start the budget process as LEAs typically start the budget process around January. An earlier start also ensures the appropriate and adequate involvement of key stakeholders in the process. At the very latest, the budget process should start in mid-January with a review of the governor's budget proposal and initial calculations of the impact it may have on the upcoming budget as well as an initial review of current and projected staffing by program or department. By reviewing this information early on the county office can address any potential funding shortfalls or possible overstaffing issues and begin recruitment if staff is to be added.

Effective budget development includes the dissemination of a detailed budget calendar, allowing all staff members to be aware of applicable deadlines. A detailed annual calendar can also clarify each staff member's role in the process. The calendar should include tasks and benchmarks such as LCAP timelines, interim reporting tasks and due dates, purchasing cutoff dates, updated enrollment and attendance projections and the staff member(s) responsible. The county office budget development calendar is not comprehensive. It contains descriptions of some of the major budget deliverables and deadlines. It does not include the steps taken to develop and create the county office's required LCAP. Best practice is for the county office to create and implement a budget development calendar that lists tasks, timelines and the position(s) responsible. The budget calendar should also include the steps taken to develop and create the LCAP. A detailed annual calendar can improve the flow of communications but is limited in its usefulness unless widely distributed. This would allow department managers to be adequately prepared to discuss their staffing needs and budget priorities. Specifically, a detailed calendar would notify all parties of state and local deadlines that must be adhered to for Business Services to collect the necessary data.

Recommendations

The county office should:

1. Begin the budget process earlier in the year to allow for appropriate and adequate involvement of key stakeholders.
2. Expand its budget development calendar to include each specific task, the position responsible, and the deadline for completing each task, and distribute the budget calendar widely across the organization.
3. Provide detailed salary and benefit amounts using position control data to department managers for decision making in budget development.

Budget Monitoring

Budgets should be monitored regularly during the fiscal year to ensure appropriations are not overspent, revenues remain appropriately projected, and actual expenditures are not materially different than those budgeted. Budget revisions are made during the fiscal year as additional information develops and as needs change, and typically fall into three main categories:

- Material increases and decreases to estimated income and expenditure appropriations resulting from the receipt of new or updated grant awards or donations.
- Budgeted carryover balances from prior years.
- Increases in expenditure appropriations to prevent budget overruns.

Monitoring budgets during the year includes assisting departments to ensure budgets are not overspent and activity is properly coded. Budget managers should have online access to the financial system and should be able to review applicable line items within the budget and run necessary financial reports. If a budget transfer is needed, department personnel should be instructed to notify the appropriate business office staff to request that a transfer be completed.

The board establishes policy on how often revisions are submitted and reviewed. Board Policy 3100 (a) states the following:

> "The County Board recognizes that the County Superintendent or designee, may spend funds appropriated in the budget within major object budget categories without County Board approval and may make transfers of appropriated funds between major object budget categories to meet necessary expenses. Any transfer of funds between major object budget categories shall be included in timely financial reports to the County Board."
>
> And:
>
> "As defined in the California School Accounting Manual, a budget revision means a net increase or decrease to the budget. Any revision to the budget in excess of $25,000, whether a net increase or decrease in the amount of funds appropriated, shall be incorporated into the next interim financial report or other County Board report and presented to the County Board for discussion and approval at a regularly scheduled public meeting of the County Board."

While the county office is not required to take all budget transfers to the board for approval, it is best practice that budget transfers occur as often as is necessary to update the budget and not only when preparing interim reports. At a minimum, budget revisions should be made during the following times:

- Within 45 days after the state budget is signed by the governor.
- When carryover and unearned revenue are added.
- When preparing the first interim report (December).
- When preparing the second interim report (March).
- In May, in preparation for closing the fiscal year.
- In June, to assess what the projected ending fund balance will be.
- Whenever the ending fund balance is materially affected.
- Whenever transfers between funds occur.
- Whenever negotiations conclude.
- As indicated in board policy.

The county office should work to minimize variances between budget and actual expenses at year-end closing, which is a common issue for many LEAs. This will increase credibility with local employee associations, the community, and department managers. Communication regarding budget adjustments and how they affect the county office must be ongoing and transparent. As an example, the 2018-19 estimated actuals reported in June 2019 reflected the same numbers as presented in the second interim report in March 2019. At that time, there was a projected positive variance to the unrestricted fund balance of $6,355. When the books were closed only a few months later, the actual variance was more than $300,000. While last minute changes can occur at the end of a year, the lack of budgetary changes between the second interim report and the estimated actuals may indicate that the variance should have been known in June.

According to the Siskiyou County Office of Education Business Services Procedures Manual, "The County Office of Education maintains a decentralized system of budgeting, which means that each budget manager is responsible for the development of department budget(s) and the subsequent monitoring and update of its revenues and expenditures."

As an example, the director of the Siskiyou Afterschool for Everyone (SAFE) program is responsible for daily management and coordination of that program. The grantee is the county office of education, which is ultimately responsible for fulfilling the requirements for funding and for ensuring successful program and outcomes for students. To plan the overall program and monitor progress, the director must have access to and manage the budget - stakeholder communication, and align deliverables. Part of the effective management of the program is providing resources to the contracting districts for direct services to students. As a result of the lack of communication and budget transparency, services to students may suffer and money may be unspent, resulting in a repayment to the state. The proper management of the SAFE program and monitoring of its financial information of the member school districts is inextricably linked to the county office budget. Effective management of programs and resources requires a collaborative relationship between the business office, the human resources department and program departments.

From the county office Budget Guide:

"Each program's budget is a building block in the overall County Office budget. Program budgets add into either the overall Unrestricted or Restricted budget that is imported into the State SACS software. The documents from the SACS software are used for reporting to the Board to request budget approval, and California Department of Education for technical review and approval."

At the time of FCMAT's visit, most department managers had no access to the financial system, and interviews revealed a high level of frustration with the process for obtaining budget information. FCMAT interviews indicate an archaic, inefficient process of budget monitoring. When a manager needs to review their budget, they must request a report from the budget technician III or the associate superintendent. Interviews with business office staff indicated that both the associate superintendent and the budget technician III directed them not to provide reports to departments. Once the report is requested from the budget technician III, the report is run sometime later, printed and hand-carried by the budget technician III to the requesting department's physical mail slot in the county office. No communication is given that the report has been placed in the slot. According to staff, this process can take days or weeks, resulting in inaccurate budget data in the financial system.

The budget monitoring section of the SCOE Business Services Procedures Manual goes into detail about deferred (unearned) revenue, specific object codes and the requirement that the "department manager review account code strings for accuracy, directing any questions to either an assigned Budget technician or the Associate Superintendent." Interviews with department staff indicated that no reports were proactively supplied, there were delays in getting paper copies of reports from the business office, a lack of training in specifics relative to account code strings and complete unresponsiveness from the budget technician III and the associate superintendent when called or emailed.

From the same manual, "Departments are not allowed to set up budgets or spend grant funds unless they have an award letter or signed contract from the granting agency." Interviews revealed that information is sent to the business office either via email or paper and meetings rarely occur. Some managers stated changes were made to their budgets during the year but with no explanation as to why. The budget meeting at the time of the original budget development was the only scheduled meeting with the business department about their budgets. Meeting more frequently throughout the year and using a collaborative process would help create a sense of trust, shared ownership and responsibility, better budget monitoring and a better understanding of potential budgetary issues.

The District Business Services Guide states that the vision of the business department is "To be a respected leader in knowledge, reliability, accuracy, efficiency, courtesy, ethics, transparency, continuous improvement and educative for our departments, schools, districts and students." And the Budget Guide (April 2021) states, "This guide is only a resource and is not intended to be a replacement for direct assistance from the business department. Please feel free to suggest changes or additions that will be beneficial for all of us. We're here to help!" While these publications by the county office include welcoming statements, without exception interviews point to practice being very different than the written word.

Reported behavior by the associate superintendent and the budget technician III is contrary to this vision. When emails and calls for assistance repeatedly go unanswered it is discourteous and becomes an obstacle to obtaining direct assistance from the business department. Districts and county office employees feel unwelcomed in the business department and ignored by the associate superintendent and the budget technician III.

Effective budget monitoring utilizes advancements in technology to minimize errors and to make previously laborious tasks more efficient. Member districts of the SAFE program describe a lengthy process for expenditure reporting and claims including submitting paper to the county office via U.S. mail. Districts in the county are spread over a wide area that makes daily physical delivery to or from the county office difficult. The use of modern technology such as file transfer protocol (FTP), web-based spaces where users can upload a document to immediately be shared with other people, or email can be used at little to no cost to expedite the exchange of information and documents. Districts described expenditure reports and claims for the SAFE program that are routinely rejected by the business department for minor mathematical errors; the reports are returned to the district via U.S. mail and, in the words of the budget technician III, they are sent "to the bottom of the pile" for processing and payment. Minor mathematical errors could be resolved with a simple phone call or email for correction. An email authorizing the correction could serve as backup to the change. If the county office used a web-based space or server for document submission and storage, the district could simply go in and make the correction. Also, the SAFE manager and other program managers are routinely questioned by members of the Business Services Department about pre-approved purchased items for the program with an accusatory tone questioning the purpose of the purchase and the need. This is a clear overstep of authority when the director of the SAFE program and the county superintendent have already approved the purchases.

While the SAFE program was used as an example here, FCMAT received similar reports from all programs across the organization. During interviews, staff reported similar behavior with the exception of one or two managers who had been provided access to the financial system and could run their own reports.

Recommendations

The county office should:

1. Provide all managers and appropriate staff online access to the financial system and the ability to review applicable line items within the budget and run reports.
2. Provide training for managers and appropriate staff to run the reports on the financial system and to understand how to interpret the reports.
3. Meet with department managers about their budgets and include any changes at least in the first and second interim reports as well as estimated actuals at the time of the following year budget adoption.

Public Information/Transparency

Public transparency demonstrates commitment to maintaining open and honest lines of communication with stakeholders and keeping them informed of the decisions made. Fiscal transparency includes making public information on how the organization manages its public resources including tax revenues, expenditures, borrowing and managing assets. Transparency also demonstrates how well the county superintendent and the county board uphold their responsibilities of governance and oversight. They are expected to be as open as possible concerning discussions and any decisions that will be made on behalf of the county office of education. Community members are unlikely to trust the board or superintendent if they suspect that any public business is being conducted behind closed doors.

The most recently adopted county office LCAP and budget are not posted on the county office website. Board packets for board meetings where the LCAP and budgets are reviewed and approved do not include any public access to these materials. Anyone wishing to review a copy of the LCAP or the budget or any corresponding information or revisions must do so at the county office. This is clearly stated on board agendas. They also would need to know when the documents were presented to the board for approval to request the correct date of the meeting.

> ***Posted:*** *12/12/2020*
> ***Note:*** *Copies of the agenda may be reviewed at the Siskiyou County Office of Education website at www.siskiyoucoe.net Copies of the agenda, complete with backup materials, may be reviewed at the Siskiyou County Office of Education during the hours of 8 a.m. to 5 p.m., Monday through Friday; excluding holidays.*

The county board website has no contact information for questions or requests. County board policies and superintendent policies also are not available on the website. Policy choices and decisions made by the board affect students and parents, employees and the public. While not required, making them accessible on the website promotes transparency and allows all to be informed and educated on the policies of the board and superintendent. A link on the county office website to a landing page with identified board and superintendent policies and links to download and view those documents would be sufficient.

On the website, only current county board agendas include supplementary information. Older county board agendas are posted but without supplementary information. The meeting dates are listed but there is no archive of agendas, supplementary information or minutes. Past agendas for the current calendar year are available on the website. The county may post relevant information before the board meeting but since the information does not remain on the website, FCMAT was unable to determine what, if any, information is posted prior to the meetings.

Recommendations

The county office should:

1. Post the annual budget and LCAP on the county office website.
2. Explore options to allow for public access to board and superintendent policies on the county office website.
3. Explore options for public access to current and past board agendas, supplemental information and minutes on the county office website.

Position Control

Position control is a system of tracking personnel information based on positions rather than employees. Simply put, position control is an accounting of all authorized positions in an organization regardless of whether an employee is currently placed in a position. Employees only should be hired into authorized positions. Position control includes creating, maintaining, and monitoring positions and the budgets for them, and in county offices it is usually managed collaboratively between the human resources (HR) and business departments. Maintaining an effective position control system is critical in managing the cost of salaries and benefits, to properly reflect those expenditures in the county office budget and ensure that they remain within a reasonable ratio to total expenditures.

A reliable position control system establishes positions by site or department and helps prevent over or underbudgeting of staff by including all approved positions. In addition, a reliable position control system prevents the omission of routine annual expenses that are tied to positions in the budget process, such as step-and-column salary increases, substitutes, extra duty pay, stipends, vacation payouts, retiree health and welfare payments and other contract items. Position control also is necessary to accurately identify the cost savings from open positions and/or attrition, and to model adjustments to salary schedules.

To be most effective, the position control system must be integrated with other financial modules such as budget and payroll. There also should be separation of duties within and between position control functions to ensure proper internal controls. Those controls must ensure that only authorized positions are entered into position control by the business office, the HR department only hires for authorized positions, and the payroll department only pays employees hired by the HR department for authorized positions.

Currently, the HR manager creates the new positions, recruits and subsequently hires and assigns new employees to positions. Having one person responsible for each of those functions does not follow proper separation of duties and internal control practice. Internal controls help ensure efficient operations, reliable financial information and legal compliance. They also help protect the district from material weaknesses, serious errors and fraud. These controls should be part of any position control system.

A review of policies and procedures as well as interviews with staff indicated that the business office pulls the position control data into the budget but not to payroll. The HR manager rolls the position control information forward year to year. Position control is not integrated with payroll and the two are not reconciled. SCOE has issued paychecks for incorrect amounts to employees, some of which could have been avoided had it utilized position control driven payroll.

The proper separation of duties is a key factor in creating strong internal controls and a reliable position control system. The following table provides a suggested distribution of labor between the business and HR departments to help provide the necessary internal control structure.

Position Control Tasks and Responsibilities

Task	Responsibility
Approve or authorize position	County superintendent
Enter approved position into position control with estimated salary/budget. Each position is given a unique number. Eliminate positions	Business department
Enter demographic data into the main demographic screen, including: Employee name Employee address Social Security number Credential (if applicable) Classification Salary schedule placement Annual review of employee assignments	Human resources department
Update employee benefits Review and update employee work calendars	Business and human resources departments
Annually review and update salary schedules. This may need to be completed more frequently such as in the case of collective bargaining settlements.	Business and human resources departments
Account codes Budget development Budget projections Multiyear projections Salary projections	Business department

Recommendations

The county office should:

1. Review and revise position control duties between the business and HR departments, ensuring that the authorization and input of new positions and proper budget coding is performed by the business office.

2. Integrate position control with payroll and regularly reconcile position control information with payroll information.

Accounts Payable and Purchasing

Accounts payable is a Business Services Department function responsible for accurately tracking amounts owed to vendors, ensuring vendor payments are properly approved, and processing vendor payments. The accounts payable process originates when a purchase is made to obtain supplies, materials, or services from a vendor. Due to the nature and volume of the work, accounts payable and purchasing functions are at high risk for fraud. Effective accounts payable processes and procedures include activities to ensure that only legitimate and accurate invoices are authorized and that they are paid in a timely manner.

The department allocates accounts payable and purchasing-related activities among four technician positions – budget technician III, account technician I (two positions), and account technician II – reporting directly to the associate superintendent of business services. These positions have additional responsibilities outside of the accounts payable and purchasing functions.

The account technician I and II positions audit and process school district and charter school accounts payable transactions. The account technician II also prepares the invoice payments for two school districts (Bogus Elementary and Little Shasta Elementary, with 2020-21 enrollments totaling 20 and 16 respectively). The budget technician III position is responsible for processing sales tax payments, auditing county office payables, and reviewing and approving purchase orders, travel requests and reimbursements, and invoices for payment. According to the position's desk manual and the Business Services Department's "Who Do I Call" assignment matrix, the budget technician III also reviews and approves personal services contracts, independent contracts, MOUs and grant agreements.

At the time of FCMAT's fieldwork, all four positions were filled with long-time employees having a combined 50+ years of experience working in the county office. In July 2021, the account technician II employee resigned; the county office is recruiting to fill the position.

Purchasing Policies

The 2020-21 Employee Handbook outlines the county office's policies and procedures for purchasing in the organization. It includes a code of purchasing ethics and a philosophy supporting cost containment and protection of public trust. Moreover, the handbook further defines the organization's purchasing standard as follows: "Procurement of goods and services with public funds, as well as the people involved, are subject to complete public accountability. Public funds are taxpayer dollars, and we are entrusted to follow strict guidelines and insure [sic] fair and open competition with equal opportunities for vendors. We must follow fair and impartial procedures in obtaining the best prices possible."

To achieve the most competitive pricing, county office employees are expected to solicit three informal quotes whenever possible, and purchases exceeding $2,500 require formal quotes or bids. Information obtained during FCMAT's fieldwork suggested the appearance of a conflict of interest when an employee interrupted an approved contract. Due to the contract amount, the procurement process was redirected. Contrary to the organization's guidance regarding conflicts of interest and abuse of public trust in purchasing, the redirected process created a situation where an employee could have shared details of the original contract with a family member who was subsequently awarded the contract.

Purchase Approvals and Workflow

The county office uses a purchase order process to organize, authorize, and fulfill its purchasing function. An employee is not allowed to charge or purchase from a vendor without first obtaining a purchase order, including purchases made with a county-issued credit card.

The county office does not have a dedicated purchasing department (e.g., purchasing manager, buyers, contract specialist positions) to support its purchasing function; therefore, all purchasing responsibilities are decentralized throughout the organization. Employees are responsible for determining the items and services needed and researching related pricing, terms and conditions for each purchase consistent with the county's adopted policies and procedures.

After finalizing the details of a purchase, employees complete a paper purchase order request form, which is submitted to the department or program manager for approval via signature. According to the handbook, department and program managers are responsible for verifying that a program budget can support the purchase, and for assigning the appropriate account string to the purchase. Once approved by the department or program manager, the purchase order is then forwarded to the Business Services Department for final approval and processing. During FCMAT's fieldwork, the county office was in the initial planning phase for implementing an electronic purchase requisition process in HSS OASIS.

The 2020-21 Employee Handbook specifies the following regarding the Business Services Department's responsibilities: "The Business Department approves or disapproves the request after verifying the account string, availability of funds, signatures and compatibility with purchasing/accounting/legal standards." The associate superintendent of business services has delegated primary authority for review and approval to the budget technician III position.

Department and program managers consistently reported significant challenges and delays in processing purchase orders through the Business Services Department. Words like "hassle," "stressful," and "gauntlet" were all used to describe the experience of working with the budget technician III to complete purchases. Described as the department's "watchdog," interviews indicated the budget technician III's review goes well beyond standard technical checks into questioning administrative decisions by department heads and program managers. While the Business Services Department has a high fiduciary responsibility, it does not have the authority to interfere with the managing and administering of all county office programs. Examples included questioning routine transactions, such as the purchase of a laptop for a new position, and mileage for pre-approved travel. More than one employee suggested that the budget technician III purposely held or delayed processing purchase orders for certain departments or employees as "payback" or "punishment" for questioning the employee or the department's practices.

Personnel-related issues like insubordination and overstepping of authority are typically addressed through a progressive employee discipline process. However, FCMAT discovered during its fieldwork that the county office had recently revised the purchase order approval process to include the county superintendent's signature in advance of the Business Services Department to expedite final processing. Employees reported continuing issues with delays and even increased frustration due to lack of progress even with the process changes.

Purchase Order Cutoff

The county office has established a cutoff date of April 15 for all purchase orders charged against the current year budget. As explained in the 2020-21 Employee Handbook, the reasons for this early date are as follows:

1. Ensure goods and services are received in the current fiscal year (before June 30) if paid from current year funds.
2. Ensure accurate ending fund balance estimates for use in budget development for the subsequent fiscal year.
3. Reduce the number of payables created during the year-end close process.
4. Allow additional processing time due to the number of purchases initiated around the cutoff date.
5. Reduce the amount of work in June as much as possible to facilitate a timely closing.

The county office's procedures do not address the process for purchases required after the cutoff date, and county office employees reported few or no exceptions allowed for purchases after April 15. For example, at least one department head reported missing out on professional development opportunities scheduled in May and June due to the rigidity of the cutoff date. Others commented on additional challenges to initiate program spending by the cutoff date due to a lack of transparency for and access to program budgets and encumbrances.

The purpose of a cutoff date is to ensure goods and services are received by June 30, if they are to be paid with current year funds. While the April 15 deadline may have benefitted the Business Services Department, it has been to the detriment of the county's educational services and increases the likelihood for the return of unspent funds for programs that do not allow for carryover into the next budget year (e.g., Early Head Start and After School Education and Safety programs).

Recommendations

The county office should:

1. Revise purchasing policies and procedures to prohibit employees from conflicts of interest.
2. Review the conflict of interest policy with employees.
3. Hold all employees accountable for following county office policies and procedures.
4. Shift the purchasing cutoff date from April 15 to the first or second week of May; revise the purchasing process to allow for purchase orders to be charged to the current year after the cutoff, provided an exception has been granted in advance by the county superintendent. Provide written detail on exception requests explaining why an exception is necessary and reasonable.
5. Consider revising the $2,500 threshold to a higher amount for formal quotes.
6. Discontinue the practice of questioning county office administration about accounts payable transactions beyond technical and process compliance checks.

Accounts Receivable

In LEAs, accounts receivable is the function in business services responsible for organizing and processing funds owed to the LEA from other entities such as grantor governments and customers (e.g., school districts contracting with the county office for business services). Activities generally include entering and sending invoices, recording receipts to account codes, setting up accruals and accounts receivables, and monitoring federal, state, and local funds payment schedules. Effective accounts receivable processes and procedures ensure revenue accounts are updated regularly to provide up-to-date and accurate accounting of an LEA's current assets.

None of the job descriptions for positions in the Business Services Department include an essential duties statement relating to the accounts receivable function except for the business technician I position responsible for allocating taxes (area-wide and ERAF) and the state's monthly apportionments to school districts and charter schools. However, a review of the Business Services "Who Do I Call" staff assignment matrix dated August 11, 2020, indicates the department has accounts receivable-related activities assigned to two positions, the business technician I and the budget technician I (internal). Both positions have additional responsibilities outside of the accounts receivable function. Most significantly, the business technician I position is responsible for the county office's payroll and HSS OASIS system support.

According to the county superintendent, the budget technician I (internal) position was created in January 2020 to relieve the associate superintendent of business services of routine accounting and budgeting activities, such as journal entries and bank reconciliations. The employee hired to fill the position had been a long-time (20+ years) employee of the Business Services Department. Many of the tasks that were to be assigned to this employee did not get transferred from the associate superintendent of business services. This employee subsequently retired in June 2021. During FCMAT's fieldwork, the employee described the budget technician I (internal) position as an "internal auditor," yet the job description's essential functions are generally not consistent with internal auditing responsibilities. Additionally, the job description was deficient in defining the position's actual role and responsibilities.

The chart below summarizes the accounts receivable duties as distributed between the two technician positions.

Accounts Receivable-Related Duties by Position

Business Technician I	Budget Technician I, Internal
Verify/Process ACH Deposits Received by County Treasury	Set up/Clear Receivables
State Monthly Apportionment Allocation	Process Accounts Receivables and County Deposits
Allocate Area-Wide and ERAF Taxes	Special Education Revenue and Billback Clearing

Custody, recording, and reconciliation duties are generally kept separate in functioning internal control systems (i.e., separation of duties). In this instance, the budget technician I (internal) position collects receipts, records receivable activity in the financial system, prepares the deposits, and reconciles the bank account. Interviews with Business Services Department employees consistently indicated limited interaction with their supervisor and no consistent review of their work. With no one else involved in verifying these accounts receivable transactions, the county office is at higher risk to encounter problems such as cash skimming, delayed deposits, and other errors or irregularities.

Recommendations

The county office should:

1. Establish and maintain strong internal controls, including separation of duties, for accounts receivable, cash receipts, and deposits to prevent the mishandling of funds and to safeguard all revenue received. Develop written policies and procedures for the Business Services Department outlining each step in the process, including identifying individuals responsible for each activity pursuant to position job description duties. Review the policies and procedures at least annually to ensure they are accurate and current.
2. Revise job descriptions to include all essential duties of the business department.

Payroll

Compensating employees accurately and on time for their skills and contributions to an organization is one of the most important factors influencing employee morale and demonstrating accountability in the employee/employer relationship. Consequently, payroll is one of the most important functions overseen by the county office's Business Services Department. The department directs payroll activities for the county office, 25 school districts, and one of two authorized charter schools, including the following:

- Serving as liaison between the county auditor/treasurer and school district personnel.
- Assisting with and auditing of payroll calculations, adjustments, and processing.
- Paying and reporting state and federal payroll taxes.
- Preparing W-2 forms.
- Auditing and processing State Teachers' and Public Employees' Retirement Systems (STRS and PERS) reports and payments.
- Auditing and processing payment and reporting of state unemployment insurance.
- Processing wage garnishments and other employee deductions.
- Establishing a payroll calendar and related deadlines for processing.
- Processing Automated Clearing House (ACH) direct deposits.
- Distributing payroll warrants and reports.

The department allocates all payroll-related activities among four technician positions – business technician I, account technician I (two positions), and account technician II – reporting directly to the associate superintendent of business services. These positions have additional responsibilities outside of the payroll function. Most significantly, the business technician I serves as the system manager for the county office's integrated human resources and financial system (HSS OASIS), and the account technician I and II positions audit and process accounts payable transactions.

The business technician I position is responsible for preparing the county office payroll, processing the direct deposit file, monitoring cash flow for payroll, and depositing and reporting payroll taxes. The account technician I and II positions focus primarily on assisting and auditing the school district and charter school payroll; additionally, the account technician II prepares the payroll for two school districts (Bogus Elementary and Little Shasta Elementary, with 2020-21 enrollments totaling 20 and 16 respectively). At the time of FCMAT's fieldwork, all four positions were filled with knowledgeable employees having a combined 40+ years of payroll experience in either the county office or a school district. In July 2021, prior to the completion of this report, the employee in the account technician II position resigned, and the county office has recruited to fill the vacancy.

The table below summarizes the distribution of payroll duties as of FCMAT's visit in May 2021.

Payroll Duties by Position

Business Technician I	Account Technician II	Account Technician I
County Office Payroll Preparation	Audit District Payroll	Audit District Payroll
Direct Deposit of Payroll Checks	Bogus/Little Shasta Payroll Preparation	STRS Reporting
Cash Flow for Payroll	Process Files with County Auditor/Controller	PERS Reporting
Payroll Tax Deposits		Payroll Warrant Processing and Distribution
Payroll Tax Reporting		Voluntary Deduction Payments

HSS OASIS, the county's payroll system, is designed specifically for LEAs, and fully integrates payroll with the financial system, human resources module, position control, and salary schedules. It also has extensive reporting options and the capability to interface with third-party time keeping systems. The county office typically processes two payrolls a month, a supplemental and a monthly, according to a schedule published on its website. While payroll's processing has most often been timely and accurate, examples of significant errors and missed employee payments were shared during FCMAT's review.

First, several county office and school district personnel provided information regarding an error in employee payroll deductions for health care premiums. When employers and employees share the cost of health care premiums, the employee's contribution is deducted from monthly payroll and deposited into a payroll suspense account along with the employer's contribution. The health care premium is paid from this same account. Any differences between the payroll transaction amounts and the vendor payment amounts should be reconciled at least at each interim reporting period and at year-end close. In this case, employee deductions in several school districts had been calculated incorrectly or not updated for premium or plan changes. Even though school districts contracting for business services support had paid the county office to perform this monitoring on their behalf, the payroll suspense accounts were not reconciled for more than one year, resulting in employees owing, in some instances, tens of thousands of dollars to affected school districts.

Second, FCMAT received multiple communications from county office employees regarding the July 2021 monthly payroll, which was delayed by more than one day for most employees due to an error involving the direct deposit transaction. Employees complained of resulting bank overdraft fees, and a proposed fix to print payroll checks led to additional complaints regarding county office-imposed fees (FCMAT understands these charges/fees were subsequently reimbursed to affected employees).

Errors such as these result from weaknesses in the internal control system. The county office lacks adequate policies and procedures establishing basic controls to support payroll processing, such as checks and balances, separation of duties, and ongoing monitoring activities. Business Services employees overwhelmingly reported no regular review or approval of their work activities. Both new and long-term employees expressed frustration with the department's deficiencies and pointed to a lack of training, support, and direction from their supervisor, the associate superintendent of business services.

Position-specific desk manuals reviewed by FCMAT were insufficient to ensure continuity of critical services like payroll in the event of unexpected employee absences or extended leaves. In general, the department's implementation of cross-training was inconsistent. For example, the account technician I and II positions indicated having previously rotated assignments regularly under a prior manager, yet no formal rotations had occurred for some time, and no one appeared to be trained to cover any of the business technician I duties.

The business technician I job description indicates the position manages two key county office functions – county office payroll and HSS OASIS system support, two complex and technical assignments that are not generally combined in a single position and that each carry enough workload to justify one full-time equivalent position considering both the size of the county office workforce and the number of school district and county office staff requiring support and training. Therefore, this employee has no time to establish or maintain a county-wide payroll advisory group. This forum would provide a space for district and COE staff to network and discuss various payroll and HR-related situations, including regular training and updates on the payroll system and processes. Most county offices of education offer this type of support to the districts they serve at least quarterly. Clear communication of emerging issues and ongoing training will keep the district and COE payroll departments operating smoothly.

Continuing or regular dysfunction in an area as essential as payroll will ultimately reduce the county office's credibility with its employees, school districts, and charter schools. Additionally, payroll errors and missed or late payments can result in costly tax penalties and interest payments for amounts paid later than the fifth day of the next calendar month for most employees (Education Code Section 45048).

Recommendations

The county office should:

1. Separate the county office's payroll function from the position responsible for HSS OASIS system management.
2. Restore mid-level managers to the Business Services Department to oversee the county office's payroll and other internal business services. Assign these positions to manage the county and district payroll processes, establish effective procedures to support payroll accuracy and timeliness, promote employee training and professional development, and lead the department to serve as the county's experts in payroll.
3. Revise written policies and procedures for the Business Services Department to ensure adequate control activities are in place, such as routine reviews and approvals, employee cross-training, and regular reconciliation of payroll expense and suspense accounts.
4. Create a county payroll advisory group to provide school district and county office payroll and HR employees with a forum to network and discuss various payroll and HR-related situations.
5. Assess the technical skills of the Business Services Department payroll staff and establish an ongoing training program to increase and maintain each employee's technical knowledge and expertise in payroll.

Credit Cards

Credit cards are typically used to enable LEAs to purchase from vendors who may not accept purchase orders or to expedite purchases such as registration fees for a conference. As with all other purchases, credit card purchases should be accompanied by a purchase order and should receive prior approval.

During the course of this report, the county office moved from using a standard credit card (Elan) to using the CAL-Card issued through the state's Department of General Services. Procurement cards such as the CAL-Card can restrict purchases to limited commodities and vendors and may be set up to provide different restrictions for each user. Therefore, these cards offer more control and less potential for misuse than traditional credit cards as well as offering more flexibility for changing needs in credit limits.

Based on documents submitted to FCMAT, the county office applied for credit cards from the U.S. Bank CAL-Card program in August 2020, but cards were not distributed until May 2021.

The county office Business Services Procedures Manual (March 2021) states:

"The County Office uses the State of California's purchasing card program, Cal-Card. Through a state Master Service Agreement, U.S. Bank provides the County Office's Visa bankcard services. A County Office Cal-Card program administrator administers the Cal-Card program. The County Superintendent sets the maximum credit card limit for each cardholder."

FCMAT was unable to determine why there was a nine-month delay in distribution of credit cards and yet procedures were updated at least three months before distribution. Documents provided by the county office indicated it had issued a total of 18 CAL-Cards, increased from the previous 12, to its board members and to district staff, including the superintendent, associate and assistant superintendents and various program managers, coordinators and directors. Interviews with these staff indicated that some had received no credit card from the county office.

Credit Card Policies and Procedures

Effective policies protect and guide employees when performing their duties to fulfill an organization's mission. They are a reference tool for appropriate action and for dealing with potential or actual conflicts. Policies may paraphrase law, explain a procedure, clarify a principle, or express a desired goal. Like most policies and procedures, a credit card policy should be reviewed and revised annually for any necessary changes. The current county office policy regarding credit card use was created in August 2013 and is labeled "draft," with no policy number assigned. A review of a list of policies provided to FCMAT confirmed that no credit card policy is listed. The draft policy requires substantial revision. A revised sample travel policy is included as Appendix C to this report.

The draft policy states:

1. The County Superintendent will assign a credit card to key personnel.
2. Credit cards can be used with prior approved purchase orders for travel and travel related expenditures and program materials when a purchase order is not accepted.
3. The Superintendent determines the credit card limit.
4. The Siskiyou County Office of Education's purchasing procedure must be strictly adhered to. A purchase order must be submitted and approved prior to using it for purchases, i.e., conference registration, lodging and transportation. Credit cards are not to be used to circumvent the purchasing procedures in the Employee Handbook.

5. The use of Siskiyou County Office of Education credit cards for personal charges including alcohol and tobacco are [sic] prohibited.
6. Cardholder will receive a monthly statement. Audit the statement and attach copies of approved purchase orders and travel requests, meeting agenda, original itemized credit card receipts and submit your paperwork to the business office.
7. The Administrative Assistant to the Business Department will audit the credit card statement for necessary documentation and forward your paperwork to the Associate Superintendent of Business Services for payment approval. The Administrative Assistant will approve the Associate Superintendent's credit card for payment.
8. More detailed purchasing procedures are available in the Employee Handbook.

A review of current practice and interviews with staff indicate that the associate superintendent of business assigns the cards and sets the credit card limits. There was no evidence that the county superintendent reviewed or approved the issuance of credit cards or credit limits.

The credit limits set by the associate superintendent of business are arbitrary; they are not based on the needs of the individual or department. Limits are frequently too low to be useful, causing frustration for users and ultimately causing more work for both the user and the business department. Prior to the new CAL-Card program, individual limits ranged from $1,500 to $5,000. The limits indicated for the current CAL-Cards range from $2,000 to $5,000. Based on interviews, insufficient cardholder credit limits and lack of assistance from the business department caused individual cardholders who had reached their credit limit to approach other cardholders to see if they had an available limit to use for a purchase.

Siskiyou County Office of Education Credit Card Summary							
Position	Former Elan Credit Limit	Elan Credit Limit 12/31/20	Cal-Card Credit Limit 12/31/20	Elan Credit Limit 2/26/21	Revised Cal-Card Credit Limit 2/26/21	Elan Credit Limit 5/28/21	Cal-Card Credit Limit 5/28/2021
Director of Adult Services	-	-	-	-	2,000	-	2,000
Educational Services Director	-	-	-	-	2,000	-	2,000
Director, Health Services	-	-	-	-	2,000	-	2,000
K-12 Strong Workforce Coordinator	-	-	-	-	2,000	-	2,000
Director, SAFE	-	-	-	-	2,000	-	2,000
Educational Services Director	-	-	-	-	2,000	-	2,000
Board member	1,500	-	1,500	-	2,000	-	2,000
SCOE Foster Youth Liaison	1,500	-	1,500	-	2,000	-	2,000
Director, Human Resources	1,000	-	1,000	-	2,000	-	2,000
Educational Services Director	1,000	-	1,000	-	2,000	-	2,000
Associate Superintendent, CBO	1,500	-	1,500	-	2,000	-	2,000
Director, State and Federal Programs	1,000	-	1,000	-	2,000	-	2,000
Information Technology	1,500	-	1,500	-	2,000	-	2,000
Assistant Superintendent	2,000	-	2,000	-	3,000	-	3,000
Board member	3,000	-	3,000	-	3,000	-	3,000
Associate Superintendent, SELPA and Special Education	2,000	-	2,000	-	2,000	-	2,000
County Superintendent	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Director, Early Head Start	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Total Allocated	23,000	7,000	23,000	7,000	41,000	7,000	41,000
Unallocated	7,000	-	7,000	-	-	-	-
Total Credit Limit (After adjustments for new cardholders and increased limits)	30,000	7,000	30,000	7,000	41,000	7,000	41,000

Note: Transition to Cal-Cards December 2020

The use of the CAL-Card allows the business department to temporarily increase credit limits for individual cards when necessary. Limits should be set based on the needs of the program. The program administrator or designee should review statements and card use to minimize the number of times credit card limits are temporarily increased.

Having the administrative assistant review and approve the associate superintendent's credit card activity is problematic in that the associate superintendent is her supervisor. The activity should be reviewed by the county superintendent.

The business procedures manual contains a robust list of procedures and allowable uses that could easily be incorporated into a user agreement and a credit card policy. The business procedures manual differs greatly from the employee handbook and the draft policy. Information should be uniform wherever provided. It also references a director of internal business services, which is not listed in the department organizational chart. The county superintendent should adopt a policy concerning credit card use. The program administrator should implement and review the policy annually and recommend updates, if needed, to the county superintendent.

Throughout interviews, employees displayed noticeable frustration with the credit card limits, the cumbersome and confusing process for making travel arrangements and, in most cases, a lack of responsiveness from the business department. This contributes to an already high employee turnover rate and low staff morale as well as a negative perception of the business department.

Recommendations

The county office should:

1. Adopt a superintendent policy for district credit card use, including information about the allowable items that can be purchased with the credit card.
2. Develop a comprehensive credit card user agreement for all users to sign before issuing a district credit card. Have cardholders sign the agreement annually.
3. Monitor credit card use to evaluate credit card limits.
4. Assign the credit card policy to the program administrator to implement, review, and recommend updates annually.

Travel Guidelines and Reimbursement

Travel policies are critical due to the risks to the LEA of multiple reimbursements, fraud and ever-changing IRS guidelines on items that may be taxable to the employee. Keeping a travel policy up to date is imperative for any public entity. A sample travel policy is included as Appendix C to this report.

Interviews with staff revealed that the travel procedure and policy at SCOE is out of date and causes great frustration with employees. Below are the areas of concern.

Payment for Hotel/Lodging

The current purchasing policies and procedures favor paper checks over the use of a credit card for travel expenses (excluding meals).

The Employee Handbook states:

"After receiving the approved Travel Request, the employee should process a purchase order or obtain a SCOE warrant/check through the prepay purchase order process for major travel expenses, such as airfare, hotel accommodations and registration fees. The department secretary, if available, can assist the employee with the reservation process and paperwork.

"Conference or workshops usually require a registration form and Purchase Order for payment. Lodging reservations are often made with a department credit card, if available. However, actual payment is made with a SCOE warrant/check mailed two weeks prior to arrival or presented at checkout, whichever the vendor prefers. If you need a warrant for pre-payment, the Purchase Order Request should be processed at least five working days before the warrant is needed."

This process is obsolete and labor intensive both for the employee and the business office. Most hotels will not accept a check as a form of payment and require a credit card payment. Through interviews, FCMAT learned that several employees took checks to pay for hotels that were subsequently rejected, requiring them to use their personal credit cards and request reimbursement. Additionally, it was shared that the budget technician III spent considerable time on the phone with the hotels trying to get them to accept the check. Employees should be able to use their issued CAL-Card to pay for airfare and lodging with an approved purchase order for the estimated amount. In the event an employee requires a hotel stay and does not have an office issued credit card, some hotels will allow advance payment on a credit card.

Per Diem Issues

The current travel policy states that meal reimbursements are limited to the following amounts:

- Dinner $22
- Lunch $11
- Breakfast $8
- Total: $41

The agency that publishes per diem rates, the United States General Services Administration (GSA), releases new per diem allowances annually. Allowances for per diem vary by the area. Travel to the Sacramento area is common for the education field. Many trainings and organizations are housed there. As such, some LEAs choose to use the Sacramento region as the basis for their per diem reimbursement amounts. This way, the employees may receive reimbursements at a level that matches the costs they will incur while traveling. The per diem rate for Sacramento for 2020-21 was $66 (excluding incidentals) per day (combined for all meals) and is shown below. Note: The lowest allowance (combined for all meals) in any area of the state for 2020-21 was $61.

- Dinner $31
- Lunch $18
- Breakfast $17
- Total $66

As demonstrated here, the rates set for per diem allowances in the SCOE travel policy are too low. Utilizing the GSA rates and adjusting annually will provide employees with reasonable reimbursements while traveling for work.

Additionally, a typical travel policy stipulates a flat amount of per diem (tied to the GSA annually adjusted amount), and each employee traveling for work is afforded that amount based on the times of day traveling. For example, if an employee leaves for an overnight trip at 6 a.m. and returns the following day at 10 p.m., that employee is eligible for two days' worth of per diem meals reimbursement. When submitting the reimbursement form, the employee simply requests reimbursement for the eligible meals and is reimbursed at that rate, no receipts required.

Employees at SCOE were frustrated with the process of travel reimbursements and the interactions with the business office over said reimbursements. Many reported not receiving the full amount requested due to disagreements over what should be reimbursed or the calculation of tips on a meal, etc. The level of scrutiny and time spent by business office staff is not necessary or productive. It wastes valuable internal business service time and has fostered many negative experiences with the business office.

Appendix D contains a sample travel policy and travel request form. The new travel request form requires two steps: one before traveling for authorization and another for reimbursement after the travel has occurred. The sample form does not require receipts for meals, but instead allows the employee to request per diem reimbursements for meals consumed while traveling.

Requiring Original Receipts

The SCOE travel policy states that for an employee to receive reimbursement for travel, the employee must provide original receipts. This is not an industry standard. Providing legible copies of receipts, scanned receipts or reprints of receipts from an email would be acceptable. This policy adds to the difficulty and creates an additional hurdle for the employees seeking reimbursement.

Recommendations

1. Revise the travel policy to address the issues raised with regard to requiring warrants to be issued to staff for hotel and other travel expenses, low per diem rates and the requirement to submit original receipts for travel.

Cell Phone Policy

Effective policies protect and guide employees when performing their duties. They are a reference tool for appropriate action and for dealing with potential or actual conflicts. Policies may paraphrase law, explain a procedure, clarify a principle, or express a desired goal.

A cell phone policy establishes the framework for an employer's telephone and wireless communications program. An effective program should achieve the following objectives: 1) promote and support the official business of the organization; 2) ensure the most efficient use of the organization's resources; and 3) provide for a fair and reasonable method of compensating employees when personal devices are used to conduct the organization's business. Like most policies and procedures, a cell phone policy should be reviewed and revised annually for any necessary changes.

A recurring theme throughout FCMAT's interviews with county office employees was the organization's general lack of concern and responsiveness to employee needs. Employee interviews indicated that the Business Services Department provides county-owned cell phones to employees who require one. A cell phone report by department dated November 2020 showed approximately eight active county-issued devices allocated to employees in the health services, transportation, and maintenance departments. These phones were described as severely outdated with no texting or smartphone capabilities, forcing employees to use their own cell phones to conduct county business without any related compensation.

The 2020-21 Siskiyou County Office of Education Employee Handbook indicates Business Services staff review the monthly activity for county-issued phones for any personal use (both incoming and outgoing calls). Employees are billed for identified personal calls along with a pro-rated share of the monthly service charge based on the number of minutes used. The handbook further specifies that the county office will reimburse employees for business-related calls on the employee's personal cell phone with prior approval by the department head and county superintendent, subject to the employee's submission of original itemized phone activity with explanations for the calls requiring reimbursement. This reimbursement is not authorized pursuant to the county office's current policy regarding cell phone reimbursement, Superintendent Policy 3513.1(a).

Superintendent Policy 3513.1, Cellular Telephone Regulations, was last revised in 2014 and does not appear comprehensive enough to meet its objective nor has it been implemented with much, if any, fidelity. For example, the policy document provided to FCMAT regarding cell phone reimbursement establishes a monthly stipend for the positions noted in the table below, yet only the county superintendent, assistant superintendent, associate superintendent of business services, and human resources manager receive the stipend. It also indicates the executive cabinet approved changes to the policy in January 2017, but these were never finalized, or the policy was not updated to reflect the final revision date. A sample cell phone policy is attached to this report as Appendix E.

Designated Positions for Reimbursement per proposed SP 3513.1

County Superintendent*
Assistant Superintendent*
Associate Superintendent*
Human Resources Manager*
Program Managers
Director of Technology, Maintenance and Operations
Executive Assistants
Transportation Supervisor

*Receiving a $50 per month stipend

Organizations that value and prioritize employees treat them fairly and provide them with the tools such as cell phones and other technology devices to successfully perform their job duties; organizations that do otherwise experience high employee turnover, low staff morale, and a generally negative organizational culture.

Over the last decade, many employers, LEAs included, have moved away from the practice of providing employer-issued cellular telephones or other electronic devices with mobile phone capabilities to individual employees. Rather, LEAs are most often providing eligible employees with a reasonable monthly stipend to reimburse them for the cost associated with using their personal device in the conduct of LEA business. In some cases, LEAs may also authorize the issuance of an employer-owned device to a specific program or group of employees, such as when a phone is assigned to a department to be shared or rotated among members of the group in certain circumstances, such as responding to after-hour incidents or emergencies that could jeopardize the health and safety of students or staff.

Recommendations

The county office should:

1. Direct the human resources department to examine duties of all employees to determine which positions require the use of a cell phone to effectively perform assigned responsibilities. Pay a monthly stipend to any employee in a designated position that agrees to use their personal device for official business, and address this during the onboarding process for new employees.
2. Revise the current cell phone policy to ensure employees are treated fairly and compensated for the use of a personal cellular device to conduct the county office's official business. Consider using the sample policy included with this report, including the use of a tiered stipend structure to accommodate varying degrees of use, and eliminate the use of county-owned devices except in the case of certain programs that may need one for special circumstances.
3. Ensure information included in the Employee Handbook matches the county office's superintendent policies and regulations, including its cell phone policy.
4. Assign the cell phone policy to the director of technology or his/her designee to implement, review, and update annually, and have the director manage the telephone and wireless communications program.
5. Upgrade and maintain any county-owned wireless communication devices to new technology that can support texting and other smartphone capabilities.

Fiscal Oversight

Education Code (E.C.) Section 1240 grants county superintendents of schools oversight of districts within their county. Under AB 1200 (Chapter 1213/Statutes 1991), that role expanded significantly to include a progressive method of oversight aimed at ensuring fiscal solvency. Over the years, AB 1200 has evolved into a multidimensional practice, often referred to as the art and science of AB 1200. Various provisions of the AB 1200 process have been revised and expanded from time to time over nearly 30 years, including AB 2756 in 2004. The support and local oversight required of county superintendents continued to expand under AB 1840 (Chapter 426/Statutes 2018), which changed the formerly state-centric system of support for fiscally insolvent districts to a county superintendent-centered approach that is more consistent with the principles of local control.

As part of AB 1840, FCMAT was directed to create the County Office Evaluation Tool to measure how well fiscal oversight is performed by county offices of education. This tool was used as part of this study to measure the performance of fiscal oversight performed by SCOE. Completion of the tool requires interviews with districts and staff performing oversight and comprehensive reviews of the metrics and checklists used by the county office while performing fiscal oversight.

Using the ranking system provided on the evaluation tool, the Siskiyou COE oversight performance is rated as poor. Primary areas of concern follow.

Oversight Review Checklists

County offices of education utilize checklists to assist with performing fiscal oversight. These checklists provide a template where all districts in a county can be measured against the same metrics. The checklists used by SCOE are out of date. FCMAT also found during its review that multiple versions of review checklists are being used by the different staff performing this task. Not having a current version of the checklist and utilization of different checklists can lead to gaps in fiscal oversight being performed by a county office of education. It could also give the appearance of favoritism of districts, which was a comment made frequently during interviews with school district personnel in Siskiyou County.

During fieldwork, FCMAT also noted reporting periods where one or more districts' financial statements were not reviewed at all. This occurred both with districts that were receiving direct services and that were not receiving direct services. SCOE uses a spreadsheet to track the receipt and review of all district financial statements received. Missing the review of a district budget or interim represents nonperformance of fiscal oversight and could have serious implications should the district encounter solvency issues and the county office failed to recognize this due to lack of review.

Staff Performing Oversight on Own Work

The basics of fiscal oversight assume that a school district provides financial statements or other required information to the oversight entity for review and comment. This process was defined with AB 1200. In Siskiyou County, because 19 of the 25 districts receive direct services and there is significant understaffing in the business department, the same staff that prepare the direct service financial statements also perform oversight. It is impossible for oversight to be performed properly by the same staff who have prepared the financial statements. Oversight should be an external, independent process. It is extremely difficult to be subjective when reviewing work that has been self-prepared. Staff indicated that in the past there was a system where the oversight review process was circulated amongst the staff, ensuring that oversight was not performed by those who prepared the financial statements. However, that has not been the case for the last several years.

Staff Not Trained to Perform Oversight

Performing proper fiscal oversight takes training and time. The staff must understand both the district side of business services and the county office of education's oversight responsibilities. Interviews with staff indicate that those performing the fiscal oversight were not trained to do so. Budget technicians shared a document showing which boxes to check off when completing fiscal oversight reviews. When asked what information needed to be verified to check off the boxes, the staff replied that they did not know, only that they were told to "check the boxes." This lack of training and understanding of the process exposes Siskiyou COE to great risk with regard to fiscal oversight responsibilities.

Letters to Districts Deficient

One of the most important functions of fiscal oversight is communication. Ensuring open lines of communication between the county office of education and the districts maintains the relationship between the two entities, which is the key to the "art" of fiscal oversight. The county office issues letters to districts (typically addressed to the board president) at each reporting period: budget, interims, and unaudited actuals. These letters are intended to give the county office a way to communicate concerns with the district. They serve as documentation that can be shared with FCMAT or the CDE to validate that fiscal oversight is being performed appropriately. The letters should reflect the findings that arise during the review process. In SCOE, the letters issued only offer acceptance of the financial statements being reviewed, never offering concerns or advice to the districts, even when concerns were identified through the review process. This is a failure in oversight as the SCOE is missing a valuable opportunity to share and document concerns with the district board and community.

Timing of Fiscal Oversight Reviews

Education Code Sections 42100, 42127 and 42131 outline the proper process for fiscal oversight and include deadlines for timely district submission of a board approved budget, interim or unaudited actuals financial report to the county office of education. The table below shows the statutory timelines for submission of each reporting period.

Statutory timelines for financial reporting periods

Reporting Period	Period Ending Date	Board Approved Financials Due to COE
Budget	n/a	June 30
First Interim	October 31	December 15
Second Interim	January 31	March 15
Unaudited Actuals	June 30	September 15

Due to the inability of the SCOE staff to complete their tasks in a timely fashion, all districts have been unable to meet the unaudited actuals reporting timeline, exceeding the statutory date by over two months. Interviews and documents provided by school district personnel demonstrated that required data related to special education and other county programs from the SCOE was not shared in a timely fashion, usually months after the district deadline had already passed, leaving no way for the districts to prepare the unaudited actuals within the statutory timeline. For the districts sampled by FCMAT, the unaudited actuals were submitted to the board for approval at the end of November. It is important to note that the unaudited actuals reports are due to the county office of education by September 15 and then to the CDE by October 15. Documents obtained during fieldwork reflected that although the district boards had not seen or acknowledged the unaudited actuals reports, those reports had been transferred to the CDE. The unaudited actuals reports were typically submitted to the CDE on October 29 prior to being approved by the district boards in late November. Per the CDE website, the county office must certify that it has obtained the signed certification form that is part of the financial packet provided by the district prior to submitting the data to the CDE. The certification form is signed once the board meeting has occurred where the unaudited actuals have been presented to the district board. An excerpt from the CDE website is shown below.

Agreement

I understand that when using the electronic transfer process to submit 2020-21 Unaudited Actual data to the California Department of Education, our county office of education is required to certify the data in accordance with *Education Code* sections 1628, 42100, and 41023 pertinent to school districts, charter schools, joint powers authorities, and County Offices of Education.

Further, before electronically certifying data files, I understand that our county office will gather, and have on file, the corresponding signed certification form: Unaudited Actuals Certification, Form CA, and the Charter School Unaudited Actuals Financial Report - Alternative Form, Certification Worksheet (if applicable).

By signing the form below (the superintendent or designee), I affirm to the above statement and request that the contact person named below be given access to the California Department of Education eTransfer System. I understand that my county office is responsible for practicing due diligence in protecting its access information (login ID and password) for the eTransfer System.

Recommendations

The county office should:

1. Update checklists used to perform fiscal oversight for budget, interim reporting periods and unaudited actuals.
2. Revisit method of ensuring that all district financial statements are reviewed by the county office of education.
3. Hire a director of external business services to direct and perform proper fiscal oversight responsibilities including ensuring that staff preparing the financial statements are not the same staff performing fiscal oversight.
4. Ensure that all staff performing fiscal oversight have deep knowledge of the metrics being measured and the importance of proper fiscal oversight.
5. Provide greater detail in the letters issued to the districts (after fiscal review has been performed) citing concerns that may threaten fiscal solvency.
6. Perform calculations related to special education or other county programs and share with districts before the statutory deadlines.
7. Only perform fiscal oversight activities on district financial statements once the district board has reviewed and approved the financial statements. Transmit unaudited actuals to the CDE after approval by district boards.

Appendices

A. Study Agreement

B. Sample Credit Card Policy

C. Sample Travel Policy

D. Sample Employee Travel Request

E. Sample Cell Phone Policy

Appendix A — Study Agreement

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
February 23, 2021

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Siskiyou County Office of Education, hereinafter referred to as the COE, mutually agree as follows:

1. BASIS OF AGREEMENT

The team provides a variety of services to local educational agencies (LEAs). The COE has requested that the team assign professionals to study specific aspects of the county operations. These professionals may include staff of the team, county offices of education, the California Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this agreement.

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
   - Accounts payable
   - Accounts receivable
   - Payroll
   - Credit card use
   - Travel guidelines and reimbursement

2. Evaluate the use of the QCC (Quintessential School Systems/Harris) financial system to complete the functions listed above and make recommendations for improved efficiency, if any.
3. Conduct an organizational and staffing review of the Business Services Department internal and external positions, and make recommendations for improvement, if any.

4. Review job duties and evaluate the current workflow and distribution of functions in internal and external business services and make recommendations for improved efficiency, if any.
5. Prepare an analysis of the county office fiscal oversight provided to the 25 school districts and two charter schools in the county using FCMAT's County Office Evaluation Tool, and make recommendations for improvement, if any.

B. Services and Products to be Provided

1. Orientation Meeting - The team will conduct an orientation session at the COE to brief COE management and supervisory personnel on the team's procedures and the purpose and schedule of the study.

2. On-site Review - The team will conduct an on-site review at the COE office and at school sites if necessary.

3. Exit Meeting - The team will hold an exit meeting at the conclusion of the on-site review to inform the COE of significant findings and recommendations to that point.

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

5. Draft Report - Electronic copies of a preliminary draft report will be delivered to the COE's administration for review and comment.

6. Final Report - Electronic copies of the final report will be delivered to the COE's administration following completion of the review. The final report will be published on the FCMAT website. Printed copies are available from FCMAT upon request.

7. Follow-Up Support – If requested by the COE within six to 12 months after completion of the study, FCMAT will return to the COE at no cost to assess the COE's progress in implementing the recommendations included in the report. Progress in implementing the recommendations will be documented to the COE in a FCMAT management letter. FCMAT will work with the COE 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 completion of the study.

3. PROJECT PERSONNEL

The FCMAT study team may include:

A.	***To Be Determined***	***FCMAT Staff***
B.	***To be determined***	***FCMAT Consultant***
C.	***To be determined***	***FCMAT Consultant***
D.	***To be determined***	***FCMAT Consultant***
E.	***To be determined***	***FCMAT Consultant***

4. PROJECT COSTS

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

A. $800 per day for each staff team member while on site, conducting fieldwork at other locations, preparing or presenting reports, or participating in meetings. The cost of independent FCMAT consultants will be billed at their actual daily rate for all work performed.

B. All out-of-pocket expenses, including travel, meals, and lodging.

C. The COE will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon COE's acceptance of the final report.

Based on the elements identified in section 2A, the total not-to-exceed cost of the study will be $46,300.

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

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

5. RESPONSIBILITIES OF THE COE

A. The COE will provide office and conference room space during on-site reviews.

B. The COE will provide the following if requested:

1. Policies, regulations and prior reports that address the study scope.
2. Current or proposed organizational charts.
3. Current and two prior years' audit reports.
4. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic

format; if only hard copies are available, they should be scanned by the COE and sent to FCMAT in electronic format.

5. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository, where the COE shall upload all requested documents.

C. The COE's administration will review a draft copy of the report resulting from the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the team prior to completion of the final report.

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

6. PROJECT SCHEDULE

The following schedule outlines the planned completion dates for different phases of the study and will be established upon the receipt of a signed study agreement:

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

7. COMMENCEMENT, TERMINATION AND COMPLETION OF WORK

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

8. **INDEPENDENT CONTRACTOR**

FCMAT is an independent contractor and is not an employee or engaged in any manner with the COE. 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 COE in any manner without prior express written authorization from an officer of the COE.

9. **INSURANCE**

During the term of this agreement, FCMAT shall maintain liability insurance of not less than $1 million unless otherwise agreed upon in writing by the COE, automobile liability insurance in the amount required under California state law, and workers' compensation as required under California state law. FCMAT shall provide certificates of insurance, with Siskiyou County Office of Education named as additional insured, indicating applicable insurance coverages upon request.

10. **HOLD HARMLESS**

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

11. **COVID-19 PANDEMIC**

Because of the existence of COVID-19 and the resulting shelter-in-place recommendations, local educational agency closures and other related considerations, at FCMAT's sole discretion, the Scope of Work, Project Costs, Responsibilities of District (Sections 1, 4 and 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, video conferencing, etc. References to site work and 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).

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

12. FORCE MAJEURE

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

13. CONTACT PERSON

Contact person: Allan Carver
Telephone: (530) 842-8400
E-mail: acarver@siskiyoucoe.net

Kermith R. Walters 3/16/2021
Kermith Walters, Superintendent DP Date
Siskiyou County Office of Education

Michael H. Fine February 23, 2021
Michael H. Fine Date
Chief Executive Officer
Fiscal Crisis and Management Assistance Team

Appendix B – Sample Credit Card Policy

USING A SISKIYOU COUNTY OFFICE OF EDUCATION CAL CARD

The County Superintendent authorizes the issuance of credit cards to specified employees and board members. Siskiyou County Office of Education (SCOE) credit card purchases are for official business only and must comply with established purchasing policies.

Authorized credit card holders shall use discretion when using a SCOE credit card. Whenever possible, purchases made by purchase order shall take precedence over purchases made by credit card. For employees and board members who have been issued a CAL Card, it is expected that the CAL Card will be utilized with precedence over personal credit cards.

SCOE uses the State of California's purchasing card program, CAL Card. Through a state Master Service Agreement, U.S. Bank provides SCOE's Visa bankcard services. The SCOE CAL Card program administrator is designated by the county superintendent and administers the program. With the approval of the county superintendent, the program administrator sets the maximum dollar amount for single purchases and a total for all purchases made within a given billing cycle. The immediate supervisor is the approver assigned to each cardholder.

Upon completion of training provided by the program administrator, employees and board members are issued CAL Cards in their individual names; however, all charges incurred are the liability of SCOE.

CAL Cards are not for personal use and shall not be used to purchase alcohol, tobacco, and other purchases that are prohibited by program contract requirements or outlined in organizational procedures manuals.

Each cardholder receives a monthly statement of all purchases made during a billing cycle. The billing office (accounts payable) also receives a monthly report of total purchases made by cardholders. The consolidated invoice is sent to Business Services, Accounts Payable.

Fraudulent or other unauthorized charges shall be immediately brought to the attention of the internal business department.

Optional: CAL Card usage will be suspended from June 15-June 30 in preparation for the end of the fiscal year.

Procedure

1. Business Services issues CAL Card to employee only after the following conditions are met:
   a. County superintendent approves request for card
   b. County superintendent approves initial credit limit.
   c. Training is provided to the employee by the program administrator or designee
2. County board of education members who are issued credit cards will follow this policy.
3. Each user department prepares purchase order for U.S. Bank, indicating budgets to becharged for CAL Card purchases. For the purposes of this section only, the county board of education is within the department of the county superintendent.

   Note: This purchase order is for encumbering purposes only and will not be mailed to U.S. Bank or used for CAL Card payments.
4. Cardholder using CAL Card obtains receipt after each card use. When authorized to purchase over the Internet, a copy of the transaction "print screen" indicating the item(s) purchased and total cost must be provided. When the credit card is used to purchase mealsfor individuals or groups of business associates, the receipt should indicate the names of the individual or business associates and the purpose of the meeting.

   Note: Failure to have a purchase order in place prior to purchase, failure to provide itemized receipts or failure to forward the Cardholder Statement of Account to Business Services, Accounts Payable, within the established timeline may result in suspension of credit card usage and/or payment of goods with personal funds.

5. Cardholder forwards Cardholder Statement of Account with accompanying receipts andpurchase orders to approver by the 5th day of the month following the statement date.
6. Approver submits to Business Services, Accounts Payable, the Approving Official Summary, Cardholder Statements of Account with itemized receipts, and purchase order for all cardholder accounts under his/her jurisdiction, by the 10 day of the month following the prior month's end-of-billing cycle.

   Note: Failure to submit required documents to Business Services by the due date mayresult in suspension of CAL Card privileges.
7. Business Services, Accounts Payable, processes CAL Card invoice for payment afterbalancing the totals of all required documents and makes payment to U.S. Bank.
8. All policies are identical for merchant revolving credit cards as they are for CAL Cards.

CARDHOLDER AGREEMENT

As a CalCard holder, I agree to the following conditions regarding the use of my CalCard:

1. I have reviewed the Siskiyou County Office of Education credit card policy (SP xxxX) and agree to abide bythe procedures contained therein. I acknowledge that use of the card for any purpose other than county office approved business expenditures is prohibited and is grounds for corrective action, up to and including termination and/or criminal charges.
2. I understand that by using the CalCard, I will be making financial commitments on behalf of Siskiyou County Office of Education and that the county office will be liable for all charges made with the card. The county officewill not be responsible for any charges made on the CalCard that are found to be unauthorized, inappropriate, undocumented or violate county office policy and I agree that I am solely responsible for suchcharges and will reimburse the county office upon demand for any charges arising from such misuse.
3. I agree to use this card only for actual and necessary business expenditures incurred by me and only byme as the Cardholder, in accordance with the Siskiyou County Office of Education's credit card policy and all business policies related to the use of County office funds.
4. I will strive to obtain the best value for the county office when purchasing merchandise with the CalCard andplan when possible to use regular purchasing channels when purchasing high dollar/ high quantity orders.
5. I understand the county office will monitor and audit the use of my CalCard.
6. I agree to return my CalCard immediately upon the requestof the superintendent, associate superintendent of business services or designee, my supervisor or upon separation from the county office. Designated county office representatives reserve the right to cancel the CalCard Program at any time without prior notification.
7. If the card is lost or stolen, I will immediately notify the issuing bank and the business department. I understand that failure to do socould make me responsible for any fraudulent use of the card.
8. I agree to complete my review of the monthly statement and receipts within the timeline set by the by the business department
9. I agree to update the business department on any changesto my account demographic information. I understand that failure to do so may result in a hold on myaccount without prior notification.

Employee ID:_________Employee Name:________________________________

PLEASE PRINT

Signature:_______________________________________Date:________________

Appendix C – Sample Travel and Conference Policy

Travel/Conference Policy

It is the policy of the County Office of Education to pay for all necessary expenses, including travel, incurred by the County Superintendent of Schools and/or by his/her designated staff members while performing services for the Siskiyou County Office of Education.

The Board of Education, under the provisions of Education Code § 4403, delegates authorization to the County Superintendent of Schools to approve requests for travel, meetings and conference.

All reimbursement for travel and expenses must be approved by the immediate supervisor and are subject to approval by the County Superintendent of Schools. Approval means authorizing travel and, when travel is completed, the claim for reimbursement of travel expenses. Persons authorized to approve travel claim must ensure that all claims are reviewed before payment. By endorsing the Mileage/Transportation Reimbursement Form (attached), the approving person accepts the responsibility for its completeness, accuracy, and validity.

All out of state travel shall have prior approval by the County Superintendent of Schools. No funds shall be expended for travel outside the United States.

The County Superintendent of Schools may authorize the advancement of meal per diems for overnight travel only. There will be no meal allowance for day travel/conference.

Please use the following rates to calculate an advance for allowable meals:

Breakfast	$17.00
Lunch	$18.00
Dinner	$31.00
Maximum daily per diem	$66.00

Per Diem rates include tax/tip. Cash advance/reimbursement may not exceed the approved per diem rates. No travel/conference meals should be charged to SCOE credit cards. A claim must be filed within ten days following the attendance at the event.

SCOE will not pay for working meal meetings unless prior approval is given by the Superintendent or the Deputy/Associate Superintendent responsible for the program and budget. Supporting documentation (agenda, etc.) must have approval signature.

In order to be eligible for reimbursement, expenses must be incurred by employee authorized to travel. A claimant cannot be reimbursed for expenses for spouses, friends or any other employee(s) who are not authorized even though their attendance may be of interest to the County Office of Education.

Claims for actual and necessary expenses shall be submitted on the Travel/Conference Approval & Reimbursement Request form (TCR Form, attached). All itemized receipts shall be retained and attached to the travel form. A reasonableness test will be performed by the Internal Business Services Department and reimbursements may be adjusted accordingly. If there are special circumstances that require any exception, supervisors' approval must be obtained.

Actual and necessary expenses shall be allowed and paid in accordance with the following:

1. When making arrangements for travel and/or lodging, "government" rates (or the lowest available rate) should be requested. If an employee chooses to upgrade from the standard room or stay at an alternate location that is a higher rate, the employee will be reimbursed the lower rate. When traveling on County Office business within California, employees shall also request that hotels/motels waive the Transient Occupancy Tax that is added to thelodging invoice. This tax

is mandated by many cities and counties, but generally exempts federal and state employees traveling on official business. The waiver of the Transient Occupancy Tax must be requested at the time of reservation and a claim form (see Exhibit C) must be submitted upon payment of the hotel/motel bill.

2. Claims for hotel accommodations shall be accompanied by receipts that show dates for which charges were made. In the event a spouse is in attendance, the reimbursement shallnot exceed the rate for single occupancy lodging.
3. Reimbursement will be made for the most cost-effective method of travel. Economy, standard, tourist, or similar airfare rates are allowed. When alternate transportation is necessary (taxi, etc.) tips are allowed up to 10% of the total but must be included on the receipt. The option for use of a private vehicle, or air transportation, or other modes may beallowed, except that the County Office shall make reimbursement for transportation resulting in the least cost to the County Office, considering all other costs.
4. Per mile reimbursement for the use of private automobile will be made at the current IRS approved rate. To collect private auto mileage reimbursement, a current "Insurance Certification" form as prescribed by Vehicle Code Division 7, Chapter 3, Article 2, Section16451, must be on file with Administrative Services. Employees driving on County Officebusiness shall have a valid California Drivers License and proof of insurance on file in Administrative Services. Employees are expected to check personal insurance policy to ensure coverage when traveling on business.
5. All expenses shall be accompanied by properly itemized legible receipts.

Cash advance or reimbursement of meal per diem when the employee is on overnight travel status shall be paid based on:

First day of travel	
Trip requires travel to begin at or before 7 a.m.	Breakfast may be claimed
Trip requires travel to begin at or before 11 a.m.	Lunch may be claimed
Trip requires travel to begin at or before 5 p.m.	Dinner may be claimed
Last day of travel	
Travel begins at or before 7 a.m.	Breakfast may be claimed
Travel begins at or before 11 a.m. and ends after 2 p.m.	Lunch may be claimed
Travel begins at or before 5 p.m. and ends after 7 p.m.	Dinner may be claimed

1. A purchase order must be used when making travel arrangements, hotel reservations and conference registrations.
2. NO personal expenses, including, but not limited to alcoholic beverages, TV/movie rental,traffic/parking citations, expenses for spouse/dependent, etc., may be claimed.

Documentation Requirements

1. A Travel/Conference Approval & Reimbursement Request (TCR Form, attached) must be approved PRIOR to attendance. No purchases shall be done prior to this approval, and the receipt of a purchase order.   This pre-approval form must include:
   a. The purpose of the trip.
   b. The inclusive dates of each trip for which allowances are claimed.

c. Sufficient details to establish that the expenses incurred were necessary to accomplish the purpose of the travel.

d. An estimate of all expenses. Requisitions must also be completed for any of the expenses that will be prepaid (registration, airfare, etc.).

e. Budget category to be charged.

f. Required back-up as per TCR form (see Exhibit A)

g. Supervisor approval and Business Services review.

2. If a Cash Advance is to be requested, it should be indicated on the TCR form when submitted and must be completed at least 2 weeks prior to travel.

3. Upon return of travel, you must complete the Actual Cost column of the TCR form, attach all required receipts and get supervisors reimbursement approval. The claimant shall certifyby signature that all amounts claimed were actual and necessary. Final reimbursements will be settled at this time.

Mileage

Only miles traveled in the performance of official County Office business and approved by supervisor may be claimed. Miles traveled to and from an employee's home are considered non-claimable personal miles. Reimbursement will be made at the current IRS rate. Claims must be submitted on the Mileage/Transportation Reimbursement form (see Exhibit B) to the Internal Business Services department no later than 15 calendar days after the month the expenses were incurred. If the 15th is on a weekend, mileage will be due the Monday immediately following. If reimbursement requests are submitted after that date, they will be considered a non-reimbursableexpense.

Criteria for Mileage Computation:

1. Employees who are assigned to a specific county facility will be reimbursed for mileage only when mandatory for their job responsibilities. Only mileage from their normal work location to destination and return will be reimbursed. Regular commute mileage required toreach normal work location will not be reimbursed. If employee travels directly from hometo conference, meeting, etc., the lessor of mileage from home or normal work location to destination will be reimbursed. If an employee chooses to use alternate transportation (taxi,etc.) from home/work to travel to a meeting/airport etc., SCOE will not reimburse the expense.

2. Employees who do not regularly report to a specific facility or who occasionally go directly from home to a work location other than their normal location, can claim only those miles accrued after reporting to the first job location of the day. If mileage to this location exceeds mileage from the employee's home to the facility where he/she is assigned, the difference may be claimed. If an employee does not return to a specific facility at the end ofa workday, only those miles from the last work location to the facility where the employee is assigned may be claimed.

3. Mileage expenses incurred due to a workshop and/or conference should be reported on amileage/travel expense form. Prior approval is mandatory.

4. Actual mileage required for meetings which occur outside the normal workday will be reimbursed.

ADOPTED: ________________

REVISED: __________________

Appendix D – Sample Employee Travel Request

Siskiyou County Office of Education

TRAVEL / CONFERENCE APPROVAL & REIMBURSEMENT REQUEST

***Purpose:* To obtain approval PRIOR to completing conference registration and travel arrangements.**
This form is also used to request reimbursement for actual travel/conference costs.

1. Please submit this completed form with associated requisitions and all appropriate backup documentation to your Administrator for approval at least **20 days prior to conference start date or conference registration deadline, whichever is sooner**.
2. Upon approval, supervisor will submit to Internal Business for processing of purchase orders (POs).
3. POs will be released and sent to supervisor with approved Travel & Conference form.
4. Registration and travel arrangements should only be made AFTER receiving Supervisor approval and purchase orders.

***********See the back page for detailed instructions on the Travel & Conference reimbursement process.* ***********

Attendee Name:		**Depart Date:**	
Conference Title:		**Return Date:**	
Conference Location: *Out of State travel requires Superintendent approval*		**Purpose for Attending:**	

STEP 1: COMPLETE BEFORE TRAVEL/CONFERENCE TO OBTAIN PRE-APPROVAL			**STEP 2:** COMPLETE UPON RETURN FOR REIMBURSEMENT
ASSOCIATED TRAVEL & CONFERENCE COSTS	**PURCHASE ORDER #**	**PRE-APPROVED EXPENSES**	**ACTUAL EMPLOYEE EXPENSES** (Not including vendor payments)
Conference Registration *Required backup: Conference flyer/registration form*		$	$
Lodging for_______days @ $____________/day *Required backup: Lodging estimate/quote*		$	$
***Airfare/ Rail** *Required backup: Airfare/ Rail estimate/quote*		$	$
Mileage: $0.___________ x _____________= (IRS Rate) (total est. miles)		$	$
***Vehicle Rental (economy)** *Required Backup: Vehicle Rental estimate/quote*		$	$
***Parking/ Bridge Toll**		$	$
***Ride Service**		$	$
Meals: Not Provided at Conference/Lodging See meal per diem guidelines Breakfast: $17.00 Per diem includes tax & tip Lunch: $18.00 *NO RECEIPTS REQUIRED* Dinner: $31.00 Maximum daily per diem: $66.00		$	$
TOTAL EXPENSES:		$	$
CASH ADVANCE REQUESTED *Must be requested 2 weeks prior to travel*		$	- $
REIMBURSEMENT RECONCILIATION: Total Actual Employee Expenses – Cash Advance = *(Positive amount is owed to employee; negative amount is due from employee)*			$
ACCOUNT LINES:			$
			$

STEP 1: PRE-APPROVAL SIGNATURES

Attendee Signature **Date**

Supervisor Pre-Approval **Date**

Internal Business Services Review **Date**

STEP 2: REIMBURSEMENT APPROVAL SIGNATURES

Attendee Signature **Date**

Supervisor Reimbursement Approval **Date**

Internal Business Services Review **Date**

TRAVEL & CONFERENCE PROCEDURES
What to do before you travel or attend conference

- Pre-approval request form is required BEFORE attending conference.
- Requisitions for travel expenditures with required backup must be submitted with pre-approval.
- Cash advances for meal per diems and out of pocket expenses must be submitted 2 weeks in advance.
- If an expense claim is disallowed due to lack of documentation or inappropriate expenses, the employee may be personally responsible for any improper costs incurred.

TRAVEL & CONFERENCE REIMBURSEMENT PROCESS
What to do after your travel/conference

WITHIN 10 DAYS OF RETURN, attendees must submit expense claims using the Travel/Conference Approval & Reimbursement Request to their supervisor for review. Supervisor will forward to Internal Business Services for processing.

ITEMIZED RECEIPTS ARE REQUIRED FOR ALL REIMBURSEMENT REQUESTS.
Bank/credit card statements ARE NOT acceptable in lieu of receipts.

- **TRANSPORTATION REIMBURSEMENT:** The most economical mode of transportation should be used.
  - Mileage: Reimbursement will be at the current IRS approved mileage rate. In the case of exceedingly long trips where airfare would be more economical, employee will be reimbursed for the actual cost of tourist class airfare rather than mileage.
  - Vehicle Rental: When it is necessary to rent a vehicle, the appropriate sized vehicle (without upgrades) should be rented based on number of attendees being transported.

MEAL PER DIEMS: ***receipts are not required***
Per Diem rates include tax/tip. Cash advance/reimbursement may not exceed the approved per diem rates.

- Please use the following rates to calculate an advance for allowable meals:
  - Breakfast $17.00
  - Lunch $18.00
  - Dinner $31.00

Maximum daily per diem $66.00

First day of travel	
Trip requires travel to begin at or before 7 a.m.	Breakfast may be claimed
Trip requires travel to begin at or before 11 a.m.	Lunch may be claimed
Trip requires travel to begin at or before 5 p.m.	Dinner may be claimed

Last day of travel	
Travel begins at or before 7 a.m.	Breakfast may be claimed
Travel begins at or before 11 a.m. and ends after 2 p.m.	Lunch may be claimed
Travel begins at or before 5 p.m. and ends after 7 p.m.	Dinner may be claimed

No travel/conference meals shall be charged to SCOE credit cards.

Accounts Payable will verify that the itemized receipts align with the original pre-approval request. If there are discrepancies, Accounts Payable will contact supervisor or attendee to clarify.

- Upon verification, the Reimbursement Request will be processed for payment. If there are any adjustments made to the reimbursement request amount, a copy of the form (with noted adjustments) will be attached to the payment and sent to the employee.

Appendix E – Sample Cell Phone Policy

The use of wireless communication devices, such as cell phones, smart phones, and other electronic devices with mobile phone capabilities, for both voice and text communication, is an important component of SCOE communication systems. Under specified conditions, their use may be authorized as part of a work assignment for the conduct of official business of the County Board of Education and/or the offices, schools, and programs operated by the County Superintendent of Schools.

Staff and Program Wireless Communication Devices

The County Superintendent of Schools, or designee, may authorize issuance of a SCOE-owned wireless communication device to a specific SCOE employee, the County Board of Education, or program group. A phone assigned to a program group is shared or rotated among the members of that group. A SCOE-owned wireless communication device may be issued based on one or more of the following circumstances:

1. The employee is required to be available and accessible to respond to emergencies that, if unaddressed, could jeopardize the health and/or safety of SCOE or district students and staff.
2. The employee is required to be available and accessible to respond to emergencies that, if unaddressed, could compromise or interrupt a major SCOE function or service to school districts.
3. The employee is required to perform itinerant duties, without access to land-based phones, and would be unable to respond to client (student, parent, and district) needs for more than 50 percent of his/her work schedule.

The employee agrees to comply with SCOE acceptable use and data security policies and all applicable Board policies, administrative regulations, and state and federal laws.

Program phones are SCOE-owned wireless communication devices and will comply with the following protocols known as the Program Phones Governance:

1. The phone shall be registered and monitored using SCOE approved mobile device management systems.
2. Only SCOE approved applications shall be installed on the phone.
3. The phone shall be configured to access SCOE email systems only.
4. SCOE issued protective cases shall be in use always.

SCOE-owned wireless communication devices are for SCOE business use only. Personal use of SCOE-owned wireless communication devices for voice, data or text communication is prohibited except for emergency purposes. Emergency purposes include, but are not limited to, a 911-emergency call to a law enforcement agency, health care provider, fire department, or other emergency services agency.

Employees should be aware that information retained on SCOE-owned wireless communication devices is not private and may be required to be disclosed under the California Public Records Act, by subpoena, or through other legal means.

Monthly invoices will be reviewed and approved by the County Superintendent of Schools, or designee.

All SCOE-owned wireless communication devices will be based on the functional need of the assigned work, at the discretion of the County Superintendent of Schools, or designee, and will be registered with appropriate SCOE device management tools to enforce data integrity, privacy, and security.

Personal Device Opt-In

The County Superintendent of Schools, or designee, may authorize an employee's use of a personal wireless communication device to conduct official business in lieu of a SCOE-owned wireless communication devices. Employees who will use their personal device must sign an Opt-In agreement that acknowledges the risks and record-keeping requirements related to public records requests (Exhibit A).

Employees who are approved to use personal wireless communication devices for official business shall receive through payroll a flat-rate, monthly stipend. The amount of the stipend shall be established by the County Superintendent of Schools, or designee, and is subject to annual adjustment. Stipends will be paid under the following conditions:

1. The employee's personal wireless communication device meets technical standards established by the Director of Technology.
2. The employee agrees to maintain an active wireless service contract and provide documentation of service (service contract or monthly bill) annually. The County Superintendent of Schools, or designee, must be notified within five working days of the inactivation of the employee's wireless service.
3. The employee shall receive annual training pertaining to the proper treatment of public records subject to retention and disclosure per the California Public Records Act.
4. The employee agrees to comply with SCOE acceptable use and data security policies and all applicable Board policies, administrative regulations, and state and federal laws.

Cell Phone and Smart Phone Service Stipends

A flat-rate stipend for cell and/or smart phone service will be allocated to designated employees as one of the following:

1. Cell Phone Stipend A: $40 per month for basic cell phone and text service.
2. Cell Phone Stipend B: $80 per month where data service and direct connection to the county office email and/or scheduling system is determined necessary for job functions.

Stipend adjustments based on minutes used for business purposes per year will be as follows:

1. Base stipend up to 6,000 minutes per year – no additional dollars.
2. Between 6,000 to 12,000 minutes added to base – additional $20 per month.
3. Between 12,000 to 18,000 minutes added to base – additional $40 per month.

Stipend levels will be reviewed annually and may be adjusted when determined reasonable and necessary by the County Superintendent of Schools, or designee.

Access to SCOE Network Resources Using Personal Devices

Personal wireless communication devices of any type (laptop, desktop, tablet, smart phone, etc.) are not permitted to connect to any SCOE wired or wireless network designated as "SECURE." Personal wireless communication devices may only connect to networks designated as "GUEST."

California Public Records Act

All staff shall exercise care when accessing data and information that is subject to California Public Records Act requests for information. Any device or account, whether personal or SCOE-owned, that is used to access, edit, store, transmit, or receive information considered to be a public record is subject to requests for disclosure.

Exhibit A - Personal Device Opt-In Agreement

I, ________________________, acknowledge the following responsibilities associated with my request to use my personal wireless communication device for official SCOE business and shall:

1. Adhere to all SCOE security and privacy policies when accessing SCOE applications and data.
2. Abide by all federal and state laws concerning the use of mobile devices when driving.
3. Not "jail break" the personal wireless communication device or alter/bypass built-in security features.
4. Not share the personal wireless communication device with others.
5. Cooperate with SCOE officials to satisfy legitimate requests for public records.

I further acknowledge that compliance with a public records request could inadvertently expose personal information on the personal wireless communication device. As such, I have no expectation of privacy related to the use of the personal wireless communication device when conducting SCOE business.

________________________________ ____________

Employee Signature Date