FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Fiscal Services Department and Human Resources Department Review

July 19, 2024

Colton Joint Unified School District

Michael H. Fine
Chief Executive Officer

FCMAT FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

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Frank Miranda, Ed.D., Superintendent
Colton Joint Unified School District
1212 Valencia Drive
Colton, CA 92324

Dear Superintendent Miranda:

In December 2023, the Colton Joint Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a review of the district's Fiscal Services Department and Human Resources Department. The agreement stated that FCMAT would perform the following:

1. Review operational processes and procedures in the Business Services Department and make recommendations for improved efficiency, if any, in the following areas:
   - Budget development
   - Budget monitoring
   - Position control
   - Payroll
   - Accounts payable
   - Accounts receivable
   - Purchasing and contracts (including approval workflow)
2. Review operational processes and procedures in the Human Resources Department and make recommendations for improved efficiency, if any.
3. Evaluate the workflow and distribution of functions within and between the above departments and make recommendations for improved efficiencies, if any.

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

Sincerely,

Michael H. Fine
Chief Executive Officer

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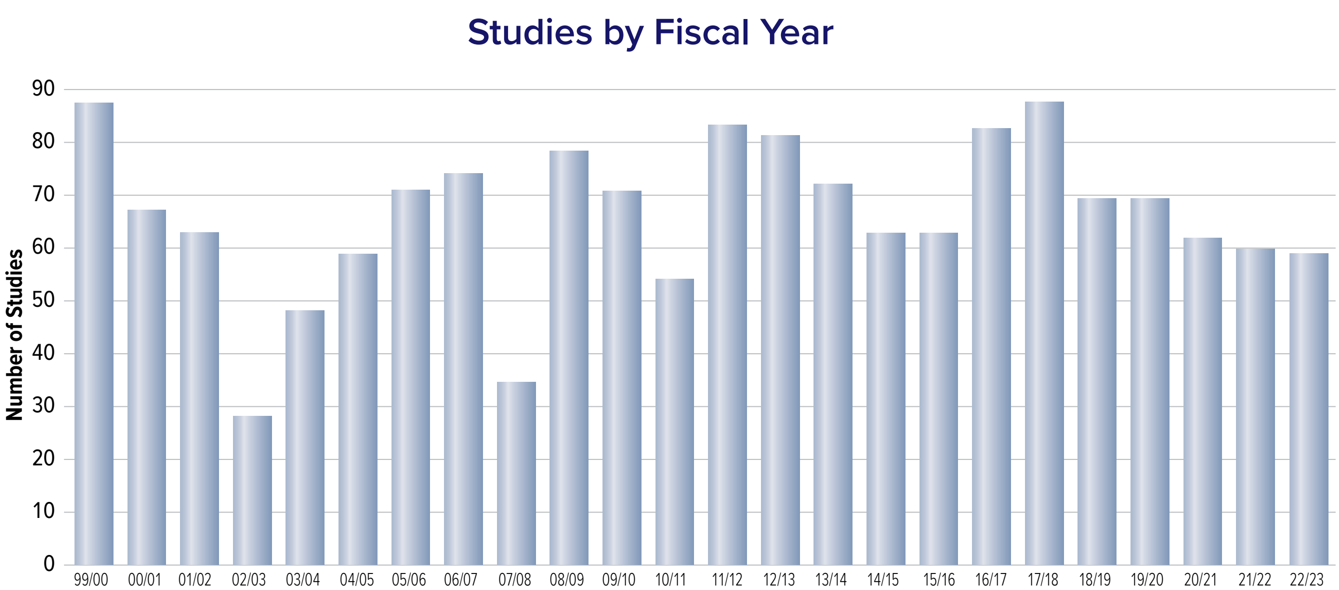
About FCMAT

FCMAT's primary mission is to assist California's local TK-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 TK-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 1991 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.

Assembly Bill 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 Colton Joint Unified School District is located in San Bernardino County and serves the communities of Colton, Bloomington, Grand Terrace and small portions of Fontana, Rialto, and San Bernardino. The district is governed by a seven-member board and serves preschool through adult students at 17 elementary schools, four middle schools, four high schools, one alternative educational program and one technology academy. In addition, the district has one preschool and one adult school program. According to Ed-Data.org, the district serves approximately 19,297 students, including approximately 16,851 who are English learners, foster youth, or eligible for free or reduced-price meals.

Study and Report Guidelines

In November 2023, the district entered into an agreement with the Fiscal Crisis and Management Assistance Team (FCMAT) to conduct a review of the Fiscal Services Department and the Human Resources Department.

FCMAT visited the district on January 10-12, and 18 to review documents, collect data, and conduct interviews with district and school staff. Additional interviews were conducted via video conference on January 31, 2024. 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, clarity and plain language. It also discourages the use of jargon and capitalizes relatively few terms.

Study Team

The study team was composed of the following members:

Jennifer Noga, CFE
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FCMAT Consultant

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

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

Executive Summary

A finding in the June 30, 2022 audit identified a lack of proper segregation of duties within the position control module of the district's financial system. As a result, the Human Resources Department is now involved in supporting position control alongside the Fiscal Services Department.[1] The district also grapples with challenges in leave management, particularly concerning coordination between the Human Resources Department and payroll staff. The latter primarily deals with inconsistent reporting of employee absences and managing leave documentation. Both departments are struggling to determine their respective roles in leave management, contributing to inefficiencies in the process. Leave management requires seamless communication and collaboration between these two departments to ensure accurate recording, processing and tracking of employee absences.

The district is focused on implementing systems that prioritize student needs, employee engagement, and continuous improvement as part of its design plan. This plan includes reforming hiring practices, enhancing professional learning opportunities and fostering a culture of trust and collaboration. Past issues, including staff turnover, underscore the need for change. In addressing the audit findings, the district's organizational culture has been pivotal in shaping operational effectiveness. However, a recurring theme observed within the district is staff's hesitancy to take decisive action, a tendency often associated with the phrase "the Colton Way." This phrase embodies both traditions and barriers within the district, reflecting a culture that serves as the cornerstone of district operations and significantly influences interactions and the achievement of district goals.

The Fiscal Services and Human Resources departments do not conduct regular meetings, which are essential for improving communication, understanding responsibilities, and discussing procedural changes. The district needs to implement these meetings and require department directors to oversee them to ensure adherence to norms and review proposed changes. Staff need to address topics such as employee leaves, resignations, and salary issues to enhance departmental collaboration and meet organizational needs.

District staff concerns regarding outdated systems, slow hiring processes, and difficulties in accessing Human Resources Department staff underscore the need for streamlined procedures and improved communication. These improvements are crucial for bolstering departmental effectiveness and meeting the district's needs. Moreover, it is imperative the district address the lack of customer service provided to schools and other departments. The district needs to establish a standard of one business day for responses to emails and telephone inquiries and hold employees accountable for following it.

Furthermore, the district lacks both procedure and desk manuals for crucial functional areas in fiscal services and human resources. These manuals are vital for establishing written policies and procedures that provide clear guidance for each department. The assistance of a third party may expedite the completion of the procedure manuals, ensuring their consistency and allowing staff to focus on essential duties. Staff also need to create step-by-step written procedures for inclusion in the desk manuals and ensure they are regularly updated and stored for easy access.

[1] The Fiscal Services Department falls under the Business Services Division.

Findings and Recommendations

Internal Controls

The accounting industry uses the term "internal control" to refer to the procedures and protocols used by an organization to protect its assets and ensure efficient operations. The Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides guidance to organizations on internal control, risk management, governance and fraud deterrence. COSO is globally recognized for its Internal Control-Integrated Framework (ICIF), which it recently updated in the 2023 publication, *Achieving Effective Internal Control Over Sustainability Reporting (ICSR): Building Trust and Confidence Through the COSO Internal Control—Integrated Framework*. This publication defines internal control as:

> A process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

The reference to achievement of objectives refers to an organization's work of planning, organizing, directing, and performing routine tasks related to operations, and monitoring performance. An organization establishes control over its operations by setting goals, objectives, budgets and performance expectations.

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

Internal control is the primary mechanism for preventing and/or deterring illegal acts or fraud. Illegal acts, misappropriation of assets or other fraudulent activities can include an assortment of irregularities characterized by intentional deception and misrepresentation of material facts. Effective internal control provides reasonable assurance that operations are effective and efficient, that the financial information produced is reliable, and that the organization complies with all applicable laws and regulations.

Internal control provides the framework for an effective fraud prevention program. An effective internal control structure includes the policies and administrative regulations established by the board and operational procedures used by staff, adequate accounting and information systems, the work environment, and the professionalism of employees.

The Committee of Sponsoring Organizations of the Treadway Commission initially outlined the five components of internal control in an executive summary titled *Internal Control – Integrated Framework*, published in 2013. Table 1 provides a summary of these components and their respective characteristics.

Table 1. Summary of internal control components and characteristics.

Internal Control Component	Characteristics
Control Environment	The set of standards, processes and structures that provide the basis for carrying out internal control across an organization. Comprises the integrity and ethical values of the organization. Commonly referred to as the moral tone of the organization, the control environment includes: a code of ethical conduct; policies for ethics; hiring and promotion guidelines; proper assignment of authority and responsibility; oversight by management, the board or an audit committee; investigation of reported concerns; and effective disciplinary action for violations.

Internal Control Component	Characteristics
Risk Assessment	Identification and assessment of potential events that adversely affect the achievement of the organization's objectives, and the development of strategies to react in a timely manner.
Control Activities	Actions established by policies and procedures to enforce the governing board's directives. These include actions by management to prevent and identify misuse of the school district's assets, including preventing employees from overriding controls in the system.
Information and Communication	Ensures that employees receive information regarding policies and procedures and understand their responsibility for internal control. Provides opportunity to discuss ethical dilemmas. Establishes clear means of communication within an organization to report suspected violations.
Monitoring Activities	Ongoing monitoring to ascertain that all components of internal control are present and functioning; ensures deficiencies are evaluated and corrective actions are implemented.

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

The five components of internal control are supported by numerous underlying principles that help ensure an organization achieves effective internal control. Each of the five components listed above and their relative principles must be present and functioning in an integrated manner to be effective. An effective system of internal control can provide reasonable but not absolute assurance that the organization will achieve its objectives.

Although the school district's employees and board members have some responsibility for internal control, the superintendent, board and other key management personnel have a higher ethical standard, fiduciary duty and responsibility to safeguard the school district's assets.

Control Environment

The control environment is the set of standards that enables other components of internal control to be effective in preventing and/or deterring fraud or illegal acts. It establishes the organization's moral tone, often referred to as the "tone at the top," which begins with leadership and extends to how employees perceive the ethical conduct displayed by the governing board and executive management. The control environment can be weakened significantly if the organization's leadership lacks experience in financial management and internal control.

An organization's actions at the governance and top administrative level in areas such as its organizational structure, use of resources, and interactions with other entities set the tone for what is important and acceptable. When leadership overrides or otherwise dismisses a staff member's judgment and experience or a process, procedure, training, or deadline, they may be sending the message that it is not important, necessary or required. When applied to business operations, dismissive action or inaction by management can quickly compromise a school district's internal control system effectiveness.

Control Activities

Control activities are a fundamental component of internal control and a direct result of policies and procedures designed to prevent and detect any misuse of a school district's assets, including preventing any employee from overriding system controls. They are instrumental in both deterring and detecting instances of fraud, as well as in mitigating the impact of both financial and nonfinancial errors that could have adverse consequences. Establishing an effective internal control system requires vigilance from the governing board, management and staff in identifying potential weaknesses within the system.

The Federal Deposit Insurance Corporation (FDIC), an independent agency established by Congress "to maintain stability and public confidence in the nation's financial system," makes available to the public various educational resources pertaining to fiscal oversight.[2] This includes the *Risk Management Manual of Examination Policies*, which serves as a valuable tool for FDIC examiners to conduct thorough examinations of financial institutions and ensure that they are operating in a safe and sound manner. Among other topics, the manual delves into several crucial controls essential for establishing an effective internal control framework. FCMAT has summarized some of these controls below:

- **Recordkeeping** – Procedures should be implemented to initiate, approve, execute, record, and reconcile transactions timely. These procedures should identify the employee responsible for each step and the time for completion. Key areas of recordkeeping include purchasing, accounts payable, cash receipts and payroll.
- **Segregation of duties** – Procedures should be implemented to prevent any single employee from managing a transaction from start to finish. Similarly, avoid assigning one individual both the custody of an asset (such as cash or inventory) and the responsibility of recording related transactions. A best practice is to involve at least two employees in completing a transaction.
- **Staff cross-training and coverage** – More than one employee should be able to perform each job. Not only will this ensure coverage during staff absences, but it allows for the detection and reporting of fraud and errors. Inadequate cross-training is a frequent problem, even in larger organizations.
- **Use of prenumbered documents** – Checks, sales and cash receipts, purchase orders, receiving reports, and event tickets should be preprinted. Moreover, a log of the documents and numbers should be maintained, and reconciliations performed periodically.
- **Asset security** – Cash should be deposited according to adopted procedures (at least weekly), computer equipment secured, and access to check stock, receipt books, tickets, supplies, food stores, tools, and gasoline restricted to designated employees.

An internal control system needs to include both hard controls (e.g., segregation of duties, management review and approval, and reconciliations) and soft controls (tone at the top, performance evaluations, and training programs) to provide reasonable assurance that the organization is achieving its goals and objectives. The district lacks some of these elements, as detailed later in this report.

[2]Federal Deposit Insurance Corporation. (n.d.). *About the Federal Deposit Insurance Corporation (FDIC)*. Retrieved May 2, 2024, from **https://www.fdic.gov/about/**

Organizational Structure and Staffing

The purpose of an organizational structure is to help school district management in decision-making to achieve organizational goals and objectives. The school district's organizational design should outline the management process and establish the system of communication, authority and responsibility needed to achieve the organization's goals and objectives. In a public school district, authority begins with the elected governing board, which hires a superintendent to lead the organization. The superintendent then delegates authority and responsibility to the school district's administration and staff.

Principles of Organizational Structure

A school district's organizational structure establishes the framework of its leadership and the specific duties and responsibilities of its staff members. This structure should be designed to maximize resources and support organizational goals. Furthermore, as student enrollment increases or declines, the organizational structure should be adapted to ensure staffs' duties and responsibilities continue to be fulfilled efficiently. Similarly, adjustments should be made to accommodate evolving strategies for student success and changes in workload.

To establish an effective organizational structure, each school district should be staffed according to generally accepted theories of organizational structures and standards used in other school agencies of similar size and type. These may include principles such as span of control, chain of command, and line and staff authority.[3] It is best practice that the organizational structure specifies key areas of authority and responsibility, with clear and logical lines of authority and reporting established and communicated throughout the school district.

Span of Control

Span of control refers to the number of subordinates reporting directly to a supervisor. While there is no universally agreed-upon ideal number of subordinates, it is generally recognized that the span of control can be larger at lower levels of an organization than at higher levels. This is because subordinates at lower levels typically perform more routine duties and are thus easier to supervise.[3] Conversely, a position overseeing multiple departments would need a smaller span of control because of the heightened complexity arising from the issues that need to be addressed and the various types of decisions that must be made.[3] Similarly, dynamic conditions that require frequent schedule or assignment changes would reduce the span of control because of the increased need for communication between supervisors and subordinates.

Chain of Command

Chain of command refers to the flow of authority within an organization. It is largely governed by two principles: unity of command, in which a subordinate is accountable to only one supervisor; and the scalar principle, which suggests that authority and responsibility should flow in a direct vertical line from top management to the lowest level. Implementing unity of command eliminates the potential for conflicting direction from multiple supervisors, while adhering to the scalar principle ensures that subordinates at every level within the organization communicate solely through their immediate supervisor. This results in a hierarchical division of labor within the organization.[3]

[3]Wood, R. Craig, Thompson, David C., Picus, Lawrence, O., Tharpe, Don I. (1995). *Principles of School Business Management.* Association of School Business Officials, Incorporated.

Line and Staff Authority

The organizational structure of a school district involves both line and staff authority. Line authority refers to the relationship between supervisors and their subordinates within the chain of command in an organization. For example, Colton Joint Unified School District's superintendent holds direct line authority over the assistant superintendents of business services and human resources, who in turn exercise direct line authority over the director(s) in their respective departments, and so forth. In contrast, line staff authority is advisory in nature. Staff personnel lack the authority to make and implement decisions; instead, they provide support to supervisors who have line authority.

The distinction between line and staff authority is crucial when considering the roles of senior positions within an organization. While employees in senior positions may have some authority over tasks such as scheduling or assigning work orders, their line authority is typically limited. Specifically, they lack the authority to carry out progressive discipline when staff disregards their directions or performs substandard work. Instead, such issues must be escalated to their supervisor, who possesses the necessary line authority.

Management

Management positions are responsible for supervising employees and overseeing the operations of their respective departments. They must ensure that staff members understand all district policies and procedures and perform their duties in a timely and accurate manner. Additionally, managers serve as intermediaries between their department and others, helping to identify and resolve problems while designing and modifying processes and procedures as necessary. Generally, management positions are not involved in day-to-day operations, which are typically delegated to department staff.

The human resources department has traditionally been supported by one director position. However, the assistant superintendent recently introduced a second director position to divide responsibilities, allowing for one director to oversee classified staff and the other to oversee certificated staff. Both directors are new to their roles and lack experience. As a result, they often defer decision-making to long-standing staff members who previously held greater authority within the management hierarchy. This practice introduces an additional layer of complexity to the organizational structure, potentially leading to confusion, undermined management authority, accountability issues, and reduced operational effectiveness if decisions are made without proper oversight and expertise.

FCMAT has developed a comprehensive list of management standards for school districts. These standards cover governance across five broad areas: financial management, pupil achievement, personnel management, facilities management, and governance and community relations. They encompass critical functions such as internal control; leadership and organizational capacity; planning; employee recruitment and selection; induction and professional learning; operational procedures; compliance practices; evaluation; employee services; employer and employee relations, budget policy and procedures; financial management; bell schedule and attendance accounting; projections; technology and information systems; associated student bodies; and charter schools. The district would benefit from reviewing these standards and developing and supporting best practices to meet them.

Recommendations

The district should:

1. Implement systems that prioritize student needs, employee engagement, and continuous improvement.
2. Ensure the assistant superintendent of business services and the assistant superintendent of human resources work together to improve communication and collaboration across the two departments.
3. Hold the director of business services and the director of human resources responsible for maintaining collaborative and respectful working relationships.
4. Ensure the director of business services and the director of human resources meet regularly to establish and maintain their departments' respective duties.
5. Prepare and distribute a written draft agenda before each meeting and allow staff to propose agenda items in advance.
6. Establish regular meetings of payroll and human resources staff to discuss ongoing issues, develop solutions to common problems, and improve communication.

Organizational Culture, Collaboration and Communication

Broadly defined, organizational culture is the system of shared assumptions, values, and beliefs within an entity, which provides guidance to employees on acceptable and unacceptable conduct.[4] This system shapes employee behavior, influencing how they dress, behave and carry out their job responsibilities. Organizational culture evolves and changes over time due to various factors, including changes in leadership. As a result, each school district has a unique organizational culture.

The district has created a design plan, which is publicly available on its website. This plan outlines the district's vision and core values. The district's vision statement focuses on student achievement while also acknowledging past issues related to its organizational culture, particularly regarding transparency, professionalism and accountability. The phrase "The Colton Way" carries both positive and negative connotations for staff, reflecting traditions and barriers within the district. To address these issues, the district is focused on implementing systems that prioritize student needs, employee engagement, and continuous improvement. This includes reforming hiring practices, enhancing professional learning opportunities, and fostering a culture of trust and collaboration. The district's core values, including equity, family engagement, and student achievement, guide decision-making and resource allocation, underscore its commitment to inclusive and equitable education.

Effective collaboration between the Business Services Division and the Human Resources Department is crucial because many essential tasks and functions depend on their joint efforts. Interviews with staff indicated widespread concerns about the lack of coordination and communication between human resources and payroll staff regarding position control. The district has since assigned some position control functions to the Human Resources Department. This change has resulted in a learning curve for human resources staff who are now taking on additional responsibilities that were previously handled by fiscal services personnel. During this transition period, payroll staff documented the challenges they faced while navigating the new process, highlighting areas that required additional support or clarification. However, rather than leveraging the documented concerns as a collaborative tool to identify areas for improvement, some staff perceived it as a form of punitive action.

The breakdown in communication and collaboration between the departments has caused various problems, including delays in payments and incorrect payment amounts. It has also led to the deterioration of processes and procedures. Some employees are uncertain about which department is responsible for specific tasks, and some have been given conflicting directives. Additionally, concerns raised by employees have been either neglected or passed between departments without resolution, further exacerbating dissatisfaction between the departments. Staff members have sometimes refused to complete assigned work because of confusion or frustration stemming from the lack of coordination.

Department directors attempted to establish weekly interdepartmental meetings to address these issues. However, feedback from the affected staff members indicated that the meetings were largely ineffective, with participants often blaming one another instead of solving problems constructively. Furthermore, inconsistent prioritization of these meetings and frequent cancellations by key participants have caused scheduling issues, which in turn has hindered progress in addressing the communication and collaboration issues. Despite the potential for these meetings to serve as a platform for discussing and resolving issues, their failure to foster collaborative dialogue has increased the tension between the departments.

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[4]Daft, Richard L. (2001). *Organization Theory and Design*. South-Western College Publishing.

This discord significantly affects the entire district. In the absence of clearly defined processes and procedures, individual employees may attempt to create their own workflows and assign tasks without fully grasping the broader organizational implications. Process development and task assignment are primarily the responsibility of district managers, who may seek input from employees. Once established, employees need to implement these processes and perform these tasks to the best of their abilities. Staff need to refrain from unilaterally attempting to alter management decisions by assigning tasks to others or refusing assignments.

The district needs to develop a comprehensive process for ensuring that employees are paid promptly and accurately. This process needs to delineate who is responsible for completing tasks such as employment verification forms, communicating with employees about various leave processes, and other circumstances that have the potential to affect employees' pay and employment status.

In addition, the district needs to clearly define the workflow, functions, and operational processes and procedures of its Fiscal Services and Human Resources departments. To improve communication and increase understanding of the responsibilities of each staff member and how their work affects other employees, the Fiscal Services and Human Resources departments need to hold regular scheduled meetings. These meetings should be a priority for the leaders of the Business Services Division and the Human Resources Department so they can ensure that proper procedures are followed. Proposed changes to procedures should be discussed but not finalized until management has had an opportunity to review the proposed changes for impacts to the district as a whole.

During meetings between the Fiscal Services and the Human Resources departments, staff should address procedures concerning employee leave, resignations, retirement, salary placement, differential pay, and other related subjects. These meetings offer a valuable forum to discuss specific personnel situations involving multiple departments, resolve any interdepartmental procedural issues, learn about the potential impacts of such issues, ensure employees receive proper customer service, and meet both deadlines and statutory requirements. The staff members who attend the meetings need to be able to add items to the agenda, with other departments included as appropriate. This proactive approach should result in increased efficiencies and better outcomes in the long run.

Moreover, the assistant superintendents of business services and human resources need to work together to develop strong communication and collaboration between their departments. They also need to ensure that the directors of business services and human resources maintain collaborative and respectful working relationships because the directors work closely with the line staff and their behavior sets the tone for the team that reports to them.

Recommendations

The district should:

1. Ensure the superintendent, executive cabinet, and governing board set the tone for a positive organizational culture.

2. Implement systems that prioritize student needs, employee engagement, and continuous improvement.

3. Ensure the assistant superintendent of business services and the assistant superintendent of human resources work together to improve communication and collaboration between the Business Services Division and the Human Resources Department.

4. Hold the director of fiscal services and the director of human resources responsible for maintaining collaborative and respectful working relationships.
5. Ensure the director of fiscal services and the director of human resources meet regularly to establish and maintain the duties of the Business Services Division and the Human Resources Department.
6. Prepare and distribute a written draft agenda before each meeting between business services and human resources, and allow staff to propose agenda items in advance.
7. Establish regular meetings of human resources and payroll staff to discuss ongoing issues, develop solutions to common problems, and improve communication.

Interdepartmental Partnerships

Attendance and Leave Management

Leave management is the process of managing various time-off requests, including holidays, sick leaves, vacation, emergencies and parental leave. This process involves following a set of rules established by the school district, such as board policies, administrative regulations, and relevant state and federal laws, as well as collective bargaining agreements.

In school districts, the Human Resources Department plays a crucial role in ensuring compliance with legal regulations and managing employee leaves. Leave management needs to be assigned to positions that can oversee the process from start to finish. This helps staff develop expertise in leave management, which in turn enables them to provide district employees with the support and resources necessary to navigate the leave process smoothly.

Coordinating leave with state and federal laws, collective bargaining agreements, and disability coverages is complicated, and errors can have serious consequences for both the school district and its employees. Extended leave, whether for a new child or a serious illness, can understandably be a stressful time for employees. It is crucial they have the necessary information to make informed decisions during such times. Moreover, when applying leave policies, school districts need to be consistent, fair, accurate, responsive, and in compliance with all applicable laws and regulations. Failure to do so can expose the school district to significant legal risks and liabilities.

The district uses the Frontline absence tracking system for both certificated and classified staff, with the expectation that all employees will enter their absences into the system. The district has instituted an automated upload of Frontline data into the Electronic Leave Tracking System (ELTS) module within its financial system (Financial 2000). Interviews with staff indicated that some employees do not use Frontline to report their days off. When this happens, the school- or department-designated timekeeper is required to update a Google sheet with this information and send it to the Human Resources Department. This practice indicates that some management-level staff are not requiring employees to input their leave into Frontline. When such transactions take place outside of Frontline, it opens the door to potential errors, omissions or even fraudulent entries. Consequently, some employee leave balances could be inaccurate.

Interviews revealed that timekeepers across all schools and departments are required to reconcile monthly employee absences. They maintain logs of employee attendance, which they reconcile with data from the ELTS module and Frontline on a daily basis to ensure all time is accurately recorded in both systems. In cases where an employee fails to enter their time in Frontline, the timekeeper updates the ELTS module and notifies the Human Resources Department to update Frontline accordingly. Regardless of whether an employee neglected to update Frontline, the timekeeper prepares affidavits from ELTS for each employee and their supervisor to review and sign. These affidavits are then sent to the payroll manager for posting in the ELTS module. Once the affidavits are posted, the ELTS module is locked for that timeframe to prevent any further changes from the schools or departments.

If an employee does not have enough leave accrued to cover their absences, payroll staff need to dock the appropriate amount from their pay. Understanding and adherence to this process varies across schools and departments. This has created various issues, including instances where employees were absent without sufficient accrued leave to cover their time off, yet they were not docked because their absences were not reported to payroll staff.

The district's payroll staff receive and review doctors' notes for sick leave. However, some interviewees stated that these staff members should not be responsible for determining the validity of employee absences. Doctors' notes and other absence verifications should be submitted to the Human Resources Department, which is responsible for leave management (i.e., authorizing and approving employee time-off requests). Human resources staff should determine the type of leave and then provide that information to payroll staff for input and calculation. Due to the sensitivity of employees' reasons for leaves, it is appropriate for the Human Resources Department to grant and manage leaves. Similarly, because payroll staff are responsible for making payroll adjustments, it is appropriate for them to pay employees in accordance with collective bargaining agreements, board policy and relevant laws. As with all other collaborative endeavors, it is critical that all staff members communicate clearly and professionally with one another. Coordination of absence reporting between schools, departments, and human resources and payroll staff is essential to ensure that employees are not underpaid or overpaid, and to track and properly record leave balances. Written procedures would help clarify these responsibilities.

Managing an employee leave system requires consistent, clear communication between human resources, benefits, and payroll staff. The Human Resources Department and payroll staff need to document and record all employee leave transactions and communicate, at least monthly, to discuss leaves and share files regarding payroll docks and long-term leave calendars. Absences need to be processed monthly at a minimum, and employees need to have access to their individual, accurate leave records. Payroll docks that are processed too long after the absence can create payroll problems and lead to overpaying employees.

Docking of an employee's pay or reducing their absence balance needs to be preceded by a formal written directive from the Human Resources Department. Implementing such a procedure will help to establish a system of checks and balances that provides for strong internal controls.

Recommendations

The district should:

1. Assign leave management duties to a position within the Human Resources Department.
2. Provide professional development on leave management to human resources staff.
3. Require all staff to record their absences in Frontline.
4. Enforce adherence to monthly submission of affidavit documents.
5. Conduct monthly reconciliations of affidavits with the ELTS Module.
6. Ensure that the Human Resources Department continues to manage employees' leave requests because of their sensitive nature.
7. Ensure that human resources, fiscal services and payroll staff meet routinely to collaborate on employee leave planning and other issues as they arise.

Position Control

Position control is a system of tracking information that is based on the number of positions rather than the number of employees. This system includes creating, maintaining and monitoring positions and their associated budgets. It is the principal way to keep track of positions for all jobs in an organization, regardless of whether there is an employee holding a specific position. Maintaining an effective position control system is crucial for managing salary and benefit costs and ensuring these expenditures are accurately reflected in the school district's budget. Given that employee salaries and benefits typically make up 85% to 90% of most school districts' expenditures, accurate projections of these costs are vital and depend on reliable data.

In school districts, the Human Resources and Fiscal Services departments need to collaboratively manage position control. To be effective, the position control system must be integrated with other modules within the school district's financial system, including budget and payroll. When these functions do not integrate automatically, the school district must manually reconcile position control to budget and payroll. Position control duties also need to be segregated to maintain proper internal controls. This is crucial for safeguarding the school district's operations and ensuring that only governing board-authorized positions are entered into the system, human resources staff hire only for authorized positions, and payroll staff pay only employees holding authorized positions.

A reliable position control system establishes positions by school or department and helps prevent overstaffing by ensuring that staffing levels conform to approved formulas and standards. The best practice is for a school district to analyze and adjust staffing based on ratios and enrollment projections. Typically, this responsibility falls under the purview of Human Resources Department leadership, such as the assistant superintendent of human resources and/or the director of human resources. This individual collaborates with educational program leaders and fiscal services staff, which are usually tasked with preparing and maintaining enrollment and attendance projections.

Proper segregation of duties is a key factor in creating strong internal controls that support a reliable position control system. Table 2 below provides a suggested distribution of labor between the Fiscal Services and Human Resources departments to establish an effective internal control framework for position control.

Table 2. Suggested distribution of position control duties between the Fiscal Services and Human Resources departments.

Task	Responsibility
• Approve or authorize position	Governing Board or Designee
• Input approved position with estimated salary and budget into position control • Every position is given a unique number	Human Resources Department
• Review salary and account codes	Fiscal Services Department
• Enter demographic data, including: ◦ Employee name ◦ Employee address ◦ Social Security Number ◦ Credential ◦ Classification ◦ Salary schedule placement ◦ Annual review of employee assignments	Human Resources Department
• Update employee benefits • Update salary schedules	Human Resources or Fiscal Services department
• Review and update employee work calendars • Update employee step- and/or -column placement	Human Resources Department
• Account codes • Budget development • Budget projections • Multiyear projections • Salary projections	Fiscal Services Department

Source: FCMAT.

The district manages position control using the Employee-Position Information Collaborative System (EPICS) Module within Financial 2000. This module is used to maintain all types of employee and position data. Information entered in this module is integrated with payroll, employee leave tracking, and budget development. As discussed earlier in this report, the district's 2021-22 audit included a finding that the district lacked proper segregation of duties in the financial system's position control module. At the time, certain business services personnel had access to modify employee fields related to salary and earning types, functions that are typically managed by the Human Resources Department. Because the Fiscal Services Department is responsible for processing payroll, department staff should not be able to alter employee salary data. In response to this finding, various functions pertaining to position control were transferred to the Human Resources Department.

As of the 2023-24 fiscal year, the district uses Smartetools to process requisitions. The requisition process begins with a school or department manager submitting a personnel requisition form. Once the requisition has been approved by the respective school or department manager, it is sent to approvers, who vary depending on the position's funding source. Human resources staff then prepare a summary report of the personnel changes for the executive cabinet's review and ensure that all the necessary approvals have been obtained.

Upon approval, the Human Resources Department proceeds with recruitment efforts. Staff enter newly-approved positions into EPICS. Once the position is filled, human resources staff attach the new employee to the approved position and input their demographic data, salary information, hire date and other personnel-related information. Position attachment within the EPICS system communicates with the payroll module. Once the position attachment has been entered into the system, this information is updated in budgeting and drives the salary calculations for the employee in the payroll system. Additionally, all new hires need to be approved by the governing board before starting employment with the district.

During interviews, staff shared concerns about the efficiency of the new personnel requisition online system and expressed frustrations with delays in the workflow. They stated that requisition forms can linger in various approvers' queues for extended periods and that any alterations or errors to the requisition necessitate restarting the process from the beginning. In some cases, employees started working, had their hours increased, or transferred to new positions before the personnel requisition was approved. Delays in approval can affect payroll processing and the timeliness and accuracy of employee paychecks.

FCMAT's review of district-provided documents and interviews with staff indicated a lack of understanding within the Human Resources Department regarding the intricacies of the EPICS system. In a random sample of employees, FCMAT found that most were attached to their positions on their exact hire or start date. However, similar to the district's payroll operations, the EPICS system has its own set of cutoff dates. Any changes made between the EPICS cutoff date and the county office of education cutoff date will not be reflected in the current payroll cycle. These cutoff dates provide payroll staff with time to review and approve changes made in EPICS before finalizing payroll.

As previously discussed in this report, human resources staff are new to managing aspects of position control. Consequently, they may have been unaware of the impact of these cutoff dates. This lack of awareness, coupled with poor position control procedures, can significantly affect the timeliness of employee payments. When an employee does not receive an expected paycheck, they often attribute the issue to payroll staff. Although the issue did not originate with them, payroll staff reported that they are fielding complaints from employees. As such, it is imperative the human resources and payroll staff work together to ensure timely paycheck processing.

During interviews, staff expressed concerns about the accuracy of the district's position control data. Examples cited included inaccuracies in data entry by human resources staff, communication breakdowns between schools and the Human Resources Department and the Business Services Division, and the use of multiple systems, which heightens the risk of errors and data inaccuracies. Furthermore, staff stated that there is no procedure to ensure eliminated positions are archived, which results in these positions appearing as active. This may result in budget allocations for unnecessary positions or the hiring of multiple individuals for a single position. Interviews with staff also suggested there is ambiguity surrounding the process for approving new positions. This could result in the hiring of individuals without properly attaching them to their positions, which will only further exacerbate the district's issues. Staff need to be trained in these tasks and be held accountable for completing them. This training should explain how actions made in EPICS by the Human Resources Department impact payroll staff's operations and outcomes.

Regularly scheduled interdepartmental meetings of the Human Resources and Fiscal Services departments, including payroll staff and managers, are essential for developing a common understanding of the terms used (e.g., new versus vacant positions) and the process of managing salary and benefit expenditures. Staff from the Business Services Division and the Human Resources Department need to meet at least during budget development and at each interim reporting period to balance all positions with those paid through payroll. Ideally, ongoing regular meetings will ensure that all parties are aware of any issues or discrepancies. Staff training on how each area affects fiscal and budget matters is important for budgeting appropriately and ensuring proper payment to employees.

Recommendations

The district should:

1. Ensure all positions and salary costs are accounted for in the position control system.
2. Segregate and distribute position control duties appropriately between the Fiscal Services and Human Resources departments, including those related to payroll, to provide for proper internal control.
3. Hold staff in the Fiscal Services and Human Resources departments accountable for position control duties.
4. Train all staff on how the workflow in position control impacts other departments.
5. Ensure that Fiscal Services and Human Resources department staff, at least in preparation for each financial reporting period (i.e., budget adoption, first interim and second interim), review and reconcile position control with budget and payroll.
6. Establish and communicate clear procedures and cutoff dates for making changes in EPICS to align with payroll processing timelines.

Fiscal Services Department Processes and Procedures

Budget Development

Budget development is a complex and continual process that requires careful planning, collaboration and transparency to ensure that financial resources are used effectively to support student learning and the school district's priorities. It plays a critical role in fulfilling a school district's educational mission and goals while meeting the needs of students, teachers and the community. As such, the allocation of resources through budgeting is one of the most important responsibilities of a school district's governing board and management.

School districts must adopt their annual budget within the statutory timelines established by Education Code (EC) 42127. Before July 1 of each year, the governing board of each school district is required to hold a public hearing on, and adopt, the budget for the subsequent fiscal year. The budget must be prepared in the format prescribed by the superintendent of public instruction in accordance with EC 42126. Within 45 days of the governor signing the annual budget act, the school district is required to make available to the public any revisions in revenues and expenditures that were made to its budget in alignment with the funding allocated by the budget act.

Budget development is a detailed process that typically begins on or before January of the preceding fiscal year. During this process, position control is revised and updated, revenues and expenses are estimated, and the budget is aligned with the school district's Local Control and Accountability Plan (LCAP). The LCAP, in turn, states the school district's goals and the actions necessary to achieve them.

The district uses zero-based budget modeling, which entails building each individual budget from scratch. This necessitates a fresh evaluation of all expenses during the development of the district's budget. Once staffing decisions have been finalized, the Fiscal Services Department reviews the accuracy of the position control data and expenditure data, updating each account line as needed. Fiscal services staff then upload the data into the state's Standardized Account Code Structure[5] (SACS) software and complete the supplemental forms, multiyear projections, cash flow projection, and criteria and standards under the supervision of the assistant superintendent of business services. Together, they prepare a budget narrative to support the SACS financial reports, and the package is presented to the governing board for formal adoption.

Budget Development Calendar

Best practice to ensure timely budget development involves establishing and adhering to a governing board-approved budget development calendar. This calendar serves as a vital tool in fostering clear communication and ensuring the involvement of all affected schools and departments in budget-related matters. However, its effectiveness hinges on widespread distribution and consistent adherence throughout the organization.

The district provided a budget calendar that outlines a process that starts with the governor's proposed budget in January and identifies fiscal services tasks through the adoption of the district's budget in June. However, this calendar does not include districtwide tasks involved with budget development, deadlines for tasks, or the individuals or positions responsible for each task's completion. The absence of these

[5]All transitional kindergarten through grade 12 local educational agencies in California must use SACS for the preparation and submission of required financial reports during budget, interim and unaudited actuals reporting periods.

critical details increases the district's risk of missing deadlines and may result in inefficiencies in the budget development process.

To improve its budget planning process, the district would benefit from creating a more detailed budget development calendar. This calendar should outline specific tasks, set deadlines for their completion, and designate the individual(s) or position(s) responsible for each. Such tasks may include:

- Position control updates.
- Student enrollment and attendance projections.
- Local control funding formula (LCFF) calculations.
- Staffing projections.
- Distribution and return-of-school and department budget development worksheets.
- LCAP preparation timelines.
- Community and stakeholder meetings for LCAP planning and preparation.
- School and departmental budget meetings.
- Interim reporting tasks, deadlines, and board meetings.
- Attendance reporting deadlines.
- Purchasing cutoff dates.
- Federal funding reporting deadlines.

Multiyear Financial Projections

Assembly Bills 1200 and 2756 require multiyear financial projections, which are part of the budget adoption and interim reporting processes. Multiyear financial projections allow school districts to project the future fiscal effect of current decisions. Projections should be updated at least at each interim financial reporting period, when economic estimates change, and before any significant decisions are made that will affect the budget, such as salary increases or other major financial commitments. When developing a multiyear financial projection, a school district's main objectives should be to achieve and sustain a balanced budget, improve academic achievement, and maintain fiscal solvency, thus avoiding any loss of local governance.

Accurate enrollment and average daily attendance (ADA) projections are essential elements of any multiyear financial projection. Enrollment projections are critical for identifying changes that may significantly affect a school district's estimated revenue in the current and subsequent years of a financial projection. Failure to identify potential reductions in revenues (based on declines in ADA) and plan for necessary staffing and other reductions in a timely manner can be significantly detrimental to a district's financial position.

Interviews with staff indicated that the district collaborates with a consultant to prepare enrollment projections. However, the current method involves a simple advancement of each grade level to the next by school for the subsequent year, coupled with a conservative decline in each of the high school grade levels.

The district's dependence on a consultant for enrollment projections indicates that business services staff lack experience with or may have limited understanding of how to implement a more sophisticated projection technique. The district needs to use reasonable projection methods to produce the most reliable enrollment projections. This is important because most of the district's unrestricted general fund revenues are based on student enrollment and ADA.

The district has also contracted with another consultant to gain a better understanding of the student and demographic changes within its boundaries and plan for facility needs. Enrollment projections used for facilities planning are not typically used for staffing and budgeting because they are based on tenuous assumptions regarding new housing development and the resulting student attendance. Best practice is to develop enrollment projections and attendance assumptions based on historical trends, adjusted as needed for other reasonable considerations specific to the district.

The director of fiscal services collaborates with department staff to prepare the multiyear financial projections in an Excel workbook. Although the projections separate the general fund into unrestricted and restricted totals, they do not include revenue and expenditure information at the resource code, program grant, or entitlement levels. Given the significant influx of one-time and ongoing restricted revenues in kindergarten through grade 12 education over the last three years, the district would benefit from developing its multiyear financial projections by resource code. This level of detail ensures that the projections accurately reflect revenue and expenditure adjustments for one-time funds or restricted dollars available over multiple years. Developing a multiyear financial projection by resource code would help ensure the district spends restricted funds before unrestricted funds, plans for the best use of the funds, and accurately projects its general fund balance in subsequent fiscal years. This tracking can be achieved using an Excel workbook or by leveraging FCMAT's free Projection-Pro software, which is available on the FCMAT website.

School and Department Budget Practices

The district's Business Services Division is responsible for managing position control and overseeing budgets across schools and departments. It is comprised of one manager and four analysts who closely support school and department managers with budget issues. While the fiscal analysts were initially split by different funding categories, each school and department now has an assigned analyst. This practice has eliminated the need to determine which analyst to contact based on specific funding categories. Interviews with department and school staff indicated that they appreciate this change.

Staff stated that school and department managers have access to their budget information within Financial 2000. However, the managers play a minimal role in developing their budgets. Moreover, as shown in the 2023-2024 second interim report presented to the governing board on March 7, 2024, most school and department budgets are allocated to salaries and benefits. The district's projected ratio of unrestricted salaries and benefits to total unrestricted general fund expenditures is 87.9%, leaving few discretionary funds available for schools and departments to manage.

Interviews with staff indicated that, despite being provided with a worksheet containing blank fields for the upcoming fiscal year along with the prior year's allocation for reference, most managers tend to simply replicate the prior year's allocations when collaborating with their respective analysts. This practice results in district staff having to process numerous budget revisions as soon as the fiscal year starts. Although budget revisions are common and a best practice for budget monitoring in school districts, establishing a budget through budget revisions is inefficient and unnecessarily takes district staff away from their regular duties.

In many districts, the Fiscal Services Department prepares budget development materials, conducts budget workshops for school and department staff, and offers ongoing support to facilitate a more accurate and collaborative budget process. Although the district's Fiscal Services Department helps support budget development by providing an annual guidebook to staff, the district needs to improve communication on each school's and department's budget plan to ensure that all parties have a better understanding of their budgets and expenditure plans. With the assistance of the Fiscal Services Department, developing a collaborative process would help create a sense of shared ownership and responsibility, a better understanding of budget issues, and possibly fewer budget transfers during the year.

The district does not use staffing formulas for budget development. Staffing projections involve collaborative efforts between the human resources, student support, educational services and special education staff. Each division reviews enrollment projections and discusses staffing needs. Once finalized, the staffing projections are reviewed during cabinet meetings. Upon cabinet approval of the final full-time equivalent (FTE) allocation for each school and department, the Fiscal Services Department, along with each assigned budget analyst, meets with each respective school and department. If the schools and departments are concerned with their staffing allocations, they can discuss these issues with administration. In some cases, additional staff may be granted.

Recommendations

The district should:

1. Develop and use a budget calendar to organize all budget development and interim reporting tasks, including the due date and the individual or department responsible for completing each task.
2. Distribute the budget calendar to all employees who are responsible for completing the listed tasks.
3. Continue to monitor historical and current enrollment and attendance trends by school.
4. Invite school and department managers to play an active role in developing their assigned budgets.
5. Ensure that draft budgets serve only as a starting point to provide a historical basis and that managers reallocate budget amounts as needed to reflect anticipated expenditures more accurately.
6. Improve communication with schools regarding budget and expenditure plans.
7. Prepare general fund multiyear financial projections by revenue source at the resource code level; consider using FCMAT's Projection-Pro software.

Budget Monitoring

School district budgets are dynamic and subject to changes in estimated revenues and expenses. They are affected by factors such as state budget allocations, shifts in enrollment and attendance, expenditure items such as personnel, and negotiated settlements of employee bargaining agreements. Consequently, the ability to monitor and adjust budgets throughout the fiscal year is essential for maintaining fiscal solvency and ensuring that resources are allocated efficiently to support the educational needs of all students. Regular monitoring of budgets and ending fund balances is essential to verify that revenue projections align with actual income, expenditures are not materially different from those budgeted, and appropriations are not overspent.

Most school districts make budget revisions many times throughout the fiscal year as additional information develops and priorities change. Budget revisions typically fall into one of three categories:

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

Budget adjustment and budget transfer conditions are addressed in EC 42600-42603 and 42610. EC 42600 states, in part:

> The total amount budgeted as the proposed expenditure of the school district for each major classification of school district expenditures listed in the school district budget forms … shall be the maximum amount which may be expended for that classification of expenditures for the school year. Transfers may be made from the designated fund balance or the unappropriated fund balance to any expenditure classification or between expenditure classifications at any time by written resolution of the board of education of any school district governed by a board of education, when filed with the county superintendent of schools and the county auditor, or by written resolution of the board of trustees of any school district not governed by a board of education, when approved by the county superintendent of schools and filed with the county auditor. A resolution providing for the transfers specified in this section shall be approved by a majority vote of the members of the governing board.

FCMAT interprets this provision to mean that all budget adjustments and budget transfers should be approved at an official meeting of the school district's governing board. Some school districts submit budget revisions to the governing board only with interim reports, which is the minimum recommended practice, while others present revisions more frequently, such as monthly. Presenting revisions more frequently is especially important for adjustments that will significantly affect the ending fund balance or other key aspects of the budget.

The district's Board Policy 3460 lacks specificity regarding how often budget revisions should be submitted for approval, which increases the risk of inconsistency and ambiguity in budget management practices. As such, it is essential the district develop and adopt a board policy addressing budget revisions.

Best practice is to provide the governing board with the following information at minimum during interim periods, but ideally on a monthly basis:

- Changes in operating costs.
- Employee and retiree benefit trends.
- Salaries and benefits as a percentage of all expenditures.
- Contributions to restricted programs.
- Ongoing versus one-time resources.
- General fund deficits.
- Projected balances of reserve funds.
- Cash flow projections.

Best practice also dictates that backup documentation for budget revisions should include the assumptions used and a clear explanation of their impact. Without this detail, the rationale for and effects of the revisions may not be clear, leading to potential misunderstandings, lack of transparency, and issues in decision-making. This could hinder the ability of educational partners, including board members, administrators, and the community, to make informed judgments about the district's financial health and priorities. Clear documentation is essential for accountability, effective communication, and maintaining the trust of all parties involved in the budget process.

Furthermore, the district has not included specific budget revisions with its board agendas throughout each year. The projected budget, which is column D of the interim report, apparently served as a budget revision for the first and second interim reports even though the board report does not specifically indicate this occurred. In these instances, the board report needs to state that the interim report functioned as a budget revision, and additional detail should be provided to explain why adjustments were needed and which revisions were included.

It is imperative the governing board report explicitly states when the interim report serves as a budget revision. Moreover, the district needs to provide additional details outlining the necessity for any adjustments and the specifics of the revisions to ensure transparency and accountability in budget management practices.

Monitoring budgets during the year includes helping schools and departments effectively use the funds available to them as well as ensuring that budgets are not overspent and that activity is coded correctly. As discussed earlier in this report, schools and departments have access to the district's financial system. They can review allocations and applicable line items in the budget. If a budget transfer is needed, school and department staff can submit a transfer request through Financial 2000, which is then reviewed and processed by the respective budget analyst. However, fiscal services staff reported that even with such access, schools and programs are not fully spending their allocations.

The district needs to minimize variances between the budget and actual expenses at year-end closing, a common challenge faced by many school districts. By monitoring the entire district budget throughout the year, staff can prevent appropriations from being overspent, ensure accurate revenue projections, and keep actual expenditures aligned with the budgeted amounts. This proactive approach will increase credibility with local employee associations, the community, and the governing board. The district also needs to provide transparent and ongoing communication regarding budget adjustments and their impacts.

Journal Entries

Ensuring the meticulous documentation and authorization of journal entries is vital for accurate budget monitoring, as it guarantees that the financial data used for budgeting decisions is precise and reliable. A journal entry notes any corrections or adjustments for a transaction. They can significantly influence the overall presentation of financial statements, so it is essential that each one is supported by written authorization and documentation. This practice helps maintain the integrity of financial records, which is essential for effective budget oversight.

FCMAT found that the district does not always enter journal entries timely. One example involves communication and collaboration betwen the Fiscal Services and Transportation departments. Transportation other than for home-to-school service is referred to as "Other Miles." This includes transportation services for field trips, athletic events, summer school, and trips between schools (refer to Procedures 325 and 640 in the *California School Accounting Manual* for additional information). Costs associated with "Other Miles" are initially expensed to the transportation function (Function 3600) but are considered instructional costs. As such, these costs should be transferred — with appropriate supporting documentation — to other functions using Object 5710, Transfers of Direct Costs, to offset expenditures from the home-to-school transportation function.

Interviews indicated that schools initiate field trip requests, which are then routed through a workflow process for approval by the Transportation Department. However, staff responses were inconsistent as to what procedures are followed after a field trip is completed. Best practice dictates that the Transportation Department should notify the fiscal services accounting technician once a field trip is concludes, enabling the technician to invoice the appropriate school or department. Staff stated that journal entries for these trips are not completed until the end of the fiscal year, by which time schools or departments may lack the necessary funds to cover the expenditures. Despite the district's awareness of this issue, it has yet to implement a process to ensure proper and timely accounting of field trips.

Recommendations

The district should:

1. Adopt a board policy that specifies how often budget revisions should be submitted to the governing board for approval.
2. Submit budget revisions with each interim report at a minimum.
3. Make budget revisions whenever it learns of a material change in revenues and expenditures.
4. Regularly charge the cost of field trips to individual programs and ensure that expenses are posted timely.
5. Monitor the entire budget throughout the fiscal year to ensure appropriations are not overspent, revenues remain accurately projected, and actual expenditures are not materially different from those budgeted.

Purchasing and Accounts Payable

The district's Purchasing Department, part of the Business Services Division, works with schools and departments to procure goods and services. Public Contract Code, Education Code, Government Code, and board policies provide parameters for school districts to conduct purchasing and bidding. Best practice dictates that school districts use purchase requisitions[6] and/or purchase orders to initiate purchases with vendors. Purchase orders are used to obtain approval prior to making a purchase and to communicate the order to the vendor. When using an integrated financial system, where the purchasing module is linked with the budget module, the amount of the purchase order will be encumbered against a specific budget. When used to its fullest, an integrated financial system can also document and track the receipt of goods and services, provide information to accounts payable staff for payment authorization, and support audits by staff.

The Fiscal Services Department manages the accounts payable function, which involves accurately tracking amounts owed to vendors, ensuring proper approval of vendor payments, and processing those payments in a timely manner. The accounts payable process begins when a purchase is made to acquire supplies, materials, or services from a vendor. Because of the nature and volume of the work, both accounts payable and purchasing functions are at high risk for fraud. As such, accounts payable processes and procedures include activities designed to ensure that only legitimate and accurate invoices are authorized.

The district has few policies to support purchasing and accounts payable functions. One example is Board Policy 3300, which states that "the Board of Education recognizes its fiduciary responsibility to oversee the prudent expenditure of district funds." Another is Board Policy 3314, which states that "the Board of

[6] A Purchase Requisition serves as an internal document used by employees to formally request approval for the acquisition of goods or services on behalf of their organization.

Education recognizes the importance of developing a system of internal control procedures in order to help fulfill its obligation to monitor and safeguard district resources." This policy further states that the district "shall ensure that purchasing, receiving, and payment functions are kept separate."

Purchase Orders and Contracts

The district uses Financial 2000 to create and approve purchase requisitions. Department and school staff initiate these requisitions electronically. An integral component of this process is real-time budget validation, which verifies the availability of funds in the designated account. If funds are insufficient, the school or department can request a budget transfer, collaborating with their assigned budget analyst to facilitate this process.

Upon receiving an email notification confirming approval of a budget transfer, the budget analyst has the authority to override the system and allow the purchase requisition to be processed. After a requisition passes the budget validation process, it is electronically routed to all necessary approvers, who vary depending on the budget source. Following approval from all parties, a purchase order is generated and sent to the vendor.

Vendors deliver materials and supplies either to the district's warehouse or directly to the requesting school or department. The receiving staff members sign a packing slip or a copy of the purchase order to acknowledge receipt and then forward these signed documents to accounts payable staff.

During interviews, staff indicated that turnover in the Purchasing Department has caused significant delays in approving and processing purchase requisitions. Although some staff members stated that the delays have improved, the district has taken steps to address these issues by contracting with a consultant to train current staff, aiming to enhance their proficiency in procurement processes. While this training is a step in the right direction, many of these issues could have been mitigated had the department maintained an updated procurement handbook. Such a handbook would have served as a valuable reference for all district personnel involved in purchasing and contracting, providing guidance that aligns with current laws, board policies, and administrative regulations.

The district's governing board has delegated specific managers the authority to enter into purchase orders and contracts, as outlined in Board Policy 3312. This policy is supported by a detailed, written flow chart that delineates the entire procurement process. According to EC 17605, all transactions made under this delegated authority must be reviewed by the district's governing board every 60 days. However, the district's documents, governing board agendas and minutes indicate that the district's current practice for governing board ratification or approval of purchase orders applies only to those exceeding $10,000. This practice lacks governmental transparency. To improve oversight and ensure compliance with the Education Code, the district needs to provide a monthly purchase order report for its governing board to review at each meeting. This report should include the vendor name, a brief description of the purchase, the fund object code, and the proposed obligated amounts.

School districts must adhere to numerous statutory requirements, including those specified in Public Contract Code, when entering into contracts. The district's Board Policy 3312 provides, in part:

> The Board may, by a majority vote, delegate to the Superintendent or designee the authority to enter into contracts on behalf of the district. To be valid or to constitute an enforceable obligation against the district, all such contracts must be approved and/or ratified by the Board. …

The purchasing director is typically the most knowledgeable person in the district regarding necessary contract provisions and compliance. Before a contract is approved and executed, the district needs to identify a funding source. This should be followed by a review by the Fiscal Services Department to ensure that the budget can adequately support the contract. The purchasing director should then review the contract to confirm compliance with Public Contract Code and other relevant statutes. This review also ensures that the contract includes sufficient language, such as indemnification clauses and other provisions, to protect and advance the district's interests. Once all internal reviews are complete, including those by the assistant superintendent of business services and the district superintendent in accordance with governing board policy, and the district is satisfied with the contract's terms and conditions, it can be placed on the board agenda for approval.

While the district has an established procurement process, adherence to this process is inconsistent. Some contracts are thoroughly vetted by the Fiscal Services, Purchasing and Risk Management departments before being reviewed by the executive cabinet and ultimately approved by the governing board. However, there are instances where individual departments submit contracts directly for inclusion on the governing board meeting agenda.

This circumvention of the procurement approval process poses several risks. It can lead to situations where insufficient funding is allocated for contracted services. It may also result in contracts with unfavorable terms and conditions that fail to meet the district's standards. Moreover, such practices could lead to violations of Public Contract Code regulations and governing board policy.

Recommendations

The district should:

1. Submit all purchase orders to the governing board for review at least every 60 days, including purchase orders of less than $10,000.
2. Consistently follow the contract approval workflow outlined in Board Policy 3312.

Accounts Payable

To ensure proper internal controls, it is imperative accounts payable staff confirm the district's intent to order, typically evidenced by a purchase order. In addition, accounts payable staff need to have proof that the goods or services were indeed received. For goods, a receiver document or a packing slip should suffice. For services, it is best practice for principals or department heads to sign the original invoice, acknowledging completion of the services.

The district has four accounting technicians who are responsible for processing accounts payable transactions. At the time of FCMAT's fieldwork, two technicians were on leave, necessitating that other department members cover their duties. During interviews, staff indicated that schools and departments send copies of purchase orders and receiver documents to the accounts payable staff via district mail or email. However, accounting staff stated that they frequently have to contact school and department personnel to request missing documentation, such as receipts and packing slips, or to obtain approval for payment because the receiver document has not been provided.

The absence of appropriate supporting documentation prevents invoices from being processed accurately and promptly. This situation highlights the importance of timely communication between accounts payable staff and schools or departments. Ineffective communication leads to staff devoting time to administrative follow-ups that could be better spent on other duties.

Accounts payable staff match vendor invoices with the corresponding purchase order and receiver document, then enter the necessary information into Financial 2000 to generate payments. After inputting a batch of invoices, they run a preliminary warrant list (i.e., prelist) for that batch and balance the batch against the prelist. This prelist is then sent to the fiscal services manager for review and approval.

Moreover, staff indicated that they typically process invoices in daily batches for payment. While this is the Fiscal Services Department's long-standing practice, it may lead to inefficiencies for both the accounting staff and the accounting manager. It is best practice to process batches every two to three days.

Another factor affecting accounts payable processing involves the district warehouse's procedures. Payment for items received by the warehouse is often delayed because the warehouse requires that all items listed on the purchase order be received before authorizing payment. This policy can lead to delays if items are not received in full. Moreover, after items are received, payment processing is further delayed because the accounts payable staff have to wait for the inventory to be entered into the system before they can process the payment.

Recommendations

The district should:

1. Inform staff at schools and departments at the beginning of the school year of the requirement to retain and submit receiver documents to support invoice payments.
2. Provide periodic reminders of the requirement to retain and submit receiver documents to support invoice payments.
3. Consolidate the processing of payment batches to two to three days per week so it does not occur daily, maximizing efficiency in processes.

Division of Labor and Workload

Job duties should align with official job descriptions, and workloads need to be appropriately distributed among the positions within the Fiscal Services Department. An effective method for management to better understand the time required for each assigned task is to have staff members conduct one-month analyses of their daily job duties. This process, often referred to as a desk audit, can be completed in a few minutes at the end of each day, with staff members recording the tasks they worked on and the time spent on each major responsibility.

Desk audits allows school districts to analyze workloads, task efficiency, and prioritization, as necessary. After the desk audits have been completed and analyzed, staff should be provided with a clear designation of duties and responsibilities. In addition, the desk audits can assist staff in developing written procedures essential for completing their job duties. Establishing written procedures also facilitates cross-training, a best practice that prepares staff to handle various tasks, ensuring operational continuity when there are vacancies or staff absences.

During interviews, staff indicated that the division of labor among the accounts payable accounting technicians may not be equitable, and some duties may need to be reallocated to other staff. Additionally, they stated that there are no written operational procedures for accounts payable tasks, and noted that desk audits have not been conducted recently. To assess whether duties should be reallocated to balance workloads, the district needs to conduct desk audits of the accounting technicians.

At the time of FCMAT's fieldwork, two accounting technicians were on leave. The remaining two accounting technicians, who have been with the district for 26 and 23 years respectively, reported handling large workloads due to their veteran status and are considering retirement within the year. They, along with the accounts receivable accounting technician, cover duties for the staff on leave and are learning procedures from other staff due to the lack of written documentation. Because the veteran staff are familiar with their roles, there has been little perceived need for written procedures. However, with potential staffing changes due to leaves, retirements, and vacancies, it is imperative that staff who support accounts payable functions establish written procedures and help cross-train their colleagues. This will ensure smooth transitions, maintain continuity, and uphold staff proficiency in departmental processes.

In addition to the accounts payable accounting technicians in the business office, accounting technicians are also assigned to other departments, such as the Nutrition Services and the Maintenance and Operations departments. Each of these departments has one accounting technician responsible for performing accounts payable support duties. During interviews, staff in these departments stated that there is no one to cover their duties when they are absent, so work stops until they return. This situation further underscores the need for the Business Services Division to cross-train staff.

Recommendations

The district should:

1. Conduct desk audits for each position supporting accounts payable functions and use the findings to develop written procedures for each position.
2. Prioritize cross-training among staff in the Business Services Division.

Credit Cards

California Education Code allows school districts to obtain credit cards in the district's name for use by authorized district employees. Individuals may charge only legal expenditures to be reimbursed from district funds. Credit cards can prove particularly useful when vendors do not accept purchase orders or when purchases need to be made quickly. However, credit cards should not be used to circumvent the standard procurement process. It is best practice for school districts to establish a board policy and administrative regulations that:

- Identify the individual, by title, responsible for overseeing the credit card program and expenditures.
- Specify which employees are authorized to receive credit cards.
- Clearly define approved and prohibited uses, along with the consequences of misuse.
- Outline required processes and procedures, including the retention and submission of supporting documentation to accounts payable staff.
- Implement cardholder agreements that employees must sign before being issued a credit card.

In interviews, staff indicated that the district has issued credit cards to various managers and classified employees for quick purchases of goods and services. However, at the time of fieldwork, the district did not have a board policy or administrative regulation in place to govern the use of these credit cards. The district needs to develop a board policy to ensure that proper procedures are clearly communicated to staff, and employees need to be held accountable for following them. For instance, the policy should specify that if an employee fails to provide a receipt for a transaction or makes an unauthorized purchase, they must reimburse the district.

District employees are not provided with or required to sign a credit card user agreement. Although the district has a handbook on credit card use, it is outdated. To address these issues, the district needs to implement a cardholder agreement that aligns with the newly-developed board policy. This agreement should clearly define the expectations of cardholders and the consequences of noncompliance. Without such an agreement, the district cannot ensure that proper procedures are communicated (e.g., for timely submission of receipts), and has no means to carry out a board policy administratively.

The district maintains Home Depot credit cards for approximately 50 maintenance employees, despite having a Home Depot blanket purchase order to facilitate immediate and necessary purchases. A blanket purchase order with prescribed authorized users is an efficient way to expedite purchases without having to obtain a purchase order for a single transaction. During interviews, staff stated that using the credit cards speed up the checkout process compared to the blanket purchase order. They also indicated that credit card receipts are often not submitted, and routine inventory is not taken for items purchased at Home Depot, such as tools. In response, the Fiscal Services Department has recently taken steps to strengthen controls over credit card use and to hold staff accountable for submitting receipts for their purchases.

Timely payment of credit card statements poses a challenge for the district. The county office, which issues the district's commercial warrants (i.e., checks), frequently places holds on payments processed to the district's credit card vendor, Bank of America. During the commercial warrant auditing process, auditors often request additional supporting documentation, such as missing receipts for specific transactions, which can delay payments. To avoid these delays, accounts payable staff issue payments directly from the district's revolving cash fund[7] to Bank of America, ensuring timely payment and avoiding holds on credit cards. However, this situation underscores the need for the district to implement a cardholder agreement.

Education Code 42635 requires that payment orders be submitted to the county superintendent of schools for approval. However, the district routinely circumvents this requirement by not issuing payments through Financial 2000, which is administered by the county office. This practice not only violates the Education Code but also bypasses the inherent internal controls of the process, significantly increasing the risk of fraud within the district. As such, the district needs to immediately cease processing credit card payments from the revolving cash fund.

Recommendations

The district should:

1. Establish a board policy and administrative regulations governing credit card usage.
2. Develop a comprehensive handbook outlining guidelines for credit card useage.
3. Implement a cardholder agreement that all employees issued a credit card must sign, acknowledging their responsibility for its proper use and outlining consequences for misuse.
4. Enforce internal processes, procedures and controls requiring employees to retain and promptly submit proper supporting documentation for credit card transactions.
5. Discontinue the use of revolving fund checks for district credit card payments and transition to processing all credit card payments through Financial 2000.

[7]The district has established a revolving cash fund account in accordance with its Board Policy 3314.2, Revolving Funds. School districts typically maintain these funds for situations where immediate payment is necessary and there is not enough time to process it through the usual accounts payable or payroll process. The maximum amount allowed in any school district's revolving cash fund is governed by EC 42800.

Travel and Conferences

Board Policy 3350 provides the district's travel policies, stating, in part:

> An employee shall obtain approval from the Superintendent or designee prior to traveling. The Superintendent or designee may approve travel requests in accordance with the adopted budget and upon determining that the travel is authorized or assigned by the employee's supervisor, is necessary to attend a conference or other staff development opportunity that will enhance employee performance, and/or is otherwise necessary to the performance of the employee's duties. Travel expenses not previously budgeted may be approved on a case-by-case basis by the Superintendent or designee if he/she determines that the travel is essential and that resources may be obtained or redirected for this purpose. …
>
> **Administrative Authorization**
>
> The Superintendent or designee is authorized to approve any conference and/or travel requests involving $300 or less in costs and not involving an overnight stay.
>
> The Superintendent or designee is authorized to reimburse for additional costs actually incurred beyond the originally approved dollar amount up to a maximum of $50.00 or 10 percent of the original amount, whichever is the higher amount.
>
> All out-of-state travel for which reimbursement will be claimed shall have Board approval. Travel expenses not previously budgeted also shall be approved on an individual basis by the Board.
>
> [Bolding retained as originally shown in the board policy.]

During interviews, staff expressed frustration with the district's travel and conference approval process, explaining that it can take months to obtain approvals. They stated that these prolonged approval timelines lead to unnecessary delays, causing missed learning opportunities because approvals are not received in time for registration. Staff outlined the travel approval process as follows:

1. Travel and conferences are requested at the school or department level, approved by the principal or supervisor, and submitted to the Human Resources Department.
2. The assistant superintendent of human resources submits the requests to the executive cabinet to discuss and approve at its weekly meeting.
3. If approved by executive cabinet, the school or department is notified of the approval and must then complete and submit a travel/conference requisition to the Human Resources Department.
4. If overnight travel is required, the Human Resources Department prepares the conference attendance request for governing board approval.
5. Once the required approvals are completed, the departments and schools begin the registration and travel reservation process.

However, Board Policy 3350 does not explicitly mandate the use of this approval process. Moreover, the $300 limit for conference and travel approvals imposed by Board Policy 3350 may hinder both professional development and organizational growth, particularly in the current economic landscape. As such, the district would benefit from revising both Board Policy 3350 and its travel approval process.

Recommendations

The district should:

1. Eliminate the requirement that all conference requests be submitted to the Human Resources Department and discussed and approved at the executive cabinet level.
2. Designate the assistant superintendents as authorized approvers of conference requests initiated and budgeted from their own divisions in accordance with board policy.
3. Consider recommending that the governing board revise Board Policy 3350 to increase the threshold for approving travel requests from $300 or less to a higher dollar value.

Accounts Receivable

School districts collect cash and payments from various activities, such as student fundraisers, meal services, retiree health benefit payments, and developer fees. The Fiscal Services Department manages the accounts receivable function, which involves organizing and processing these funds and others owed to the district from external entities. These funds may be received through a variety of means, including electronic transfers, checks, and cash.

Key duties associated with accounts receivable and cash collections typically include issuing and sending invoices, collecting cash receipts, depositing funds into bank accounts or the county treasury, recording these deposits in the financial system, reconciling accounts, and setting up accruals for outstanding balances due at the end of the year. Effective accounts receivable policies and procedures are crucial to ensure that revenue accounts are regularly updated and monitored.

At the time of fieldwork, the accounting technician responsible for accounts receivable had recently been promoted to the position. Consequently, FCMAT also interviewed the previous accounting technician responsible for these duties. Staff have access to an extensive desk manual that outlines clear procedures for accounts receivable tasks. This manual has been instrumental in ensuring continuity of operations in this area.

When managing cash and deposits, it is essential to maintain proper internal controls, including segregation of duties and chain of custody. Segregation of duties involves having different individuals count and independently verify funds received, which should be documented through cash tally records, reconciliation reports, and deposit transactions. Ensuring a clear chain of custody protects the security of funds as they move from receipt to deposit, involving measures such as sealed deposit bags, secure storage locations, and documented transfers from one person to another.

However, interviews indicated the district faces challenges in implementing these practices. Due to limited staffing, it is not always possible for two people to count and verify funds at schools and departments. Furthermore, school and department staff have not received comprehensive training on the district's cash receipts procedures because training is provided only upon request. This lack of consistent internal controls, coupled with insufficient staff training, places the district at risk for accounting errors and fraud at schools and departments.

Recommendations

The district should:

1. Segregate duties to ensure proper transport, counting, recording, deposit, and reconciliation of all funds received.
2. Provide training and enforce adherence to proper cash handling procedures, including a two-person count and deposit verification.

Payroll

The payroll process is extremely detailed and highly technical, requiring strict adherence to deadlines due to the brief intervals between payroll cycles. To ensure that all relevant parties meet these critical deadlines, it is essential to develop a calendar of payroll deadlines for all applicable departments. Establishing clear procedures is critical for timely and accurate payroll processing. The process becomes particularly complex and prone to errors when creating new positions, revising employee assignments, and implementing new salary or unusual compensation agreements. Instability in payroll staffing and a heavy workload can exacerbate these issues, increasing the likelihood of errors.

To maintain internal controls, the district needs to segregate these duties between those who determine employee pay and those who process it. Human resources staff play a crucial role in managing key responsibilities related to payroll, such as determining salary schedule placement and calculating annual compensation. Administering salary-based pay for contract employees within a school district is a complex task that demands an overall understanding of payroll concepts by both the Human Resources and Fiscal Services departments. For example, if a contract employee is hired or resigns midyear, their salary must be prorated. This calculation can be difficult to grasp, so it is important that staff can explain to employees how the salary-based system operates.

The district maintains a calendar of scheduled payroll dates. This calendar includes four payroll issue dates for each month of the year. Certificated contracted staff assignments are paid on the first day of the month, while classified contracted staff are paid on a semimonthly basis. Two supplemental pay dates are used for payments for substitutes, extra duties, overtime, and stipends. Audit and prelist run dates are scheduled three to eight days before the scheduled pay dates. The district's payroll accounting technicians are responsible for processing payroll, gathering information from various sources to do so. They are overseen by a fiscal services manager who was hired shortly before FCMAT conducted fieldwork.

FCMAT found that the district does not consistently follow its payroll calendar, with employee timesheets being turned in late or containing errors that need correction. This disrupts payroll processing and often necessitates urgent adjustments to ensure timely staff payments. Payroll staff require sufficient time to balance and reconcile payroll data before the system locks for the pay period. In addition, the Human Resources Department often submits new employee payroll information late, or sometimes fails to submit it at all. When this happens, payroll staff have to gather the necessary information themselves to guarantee that these individuals are paid on time.

Human resources staff enter data for new employees and changes in current employee statuses into EPICS, the position control module of the district's financial system. They then use Smartetools, the district's newly implemented personnel requisition software, to route these requisitions for approval. Once approved, the requisitions are sent to payroll staff for processing. During interviews, payroll staff expressed frustration with delays in receiving these requisitions, often due to managers' slow approval process. These delays pressure the payroll technicians to expedite their work to meet payroll deadlines and often result in the technicians having to work overtime to manage the workload. Moreover, payroll staff reported that they are regularly required to contact human resources staff to correct errors in the requisitions, a process that further exacerbates existing time constraints. As such, it is critical that updates such as new hires, status changes, extra pay, and terminations are reported in Smartetools promptly to ensure they are approved and reach payroll staff with ample time for review and processing.

Overpayments and Payroll Errors

Overpayments can be the result of many factors, including payroll errors. The district's use of multiple systems (see the "Software Systems" subsection of this report) to manage position control and payroll increases its risk of making overpayments. For example, overpayments may occur when payroll staff do not receive information timely, such as employee terminations, or instances when there is an overuse of leave by employees.

As discussed in the "Attendance and Leave Management" subsection of this report, the district uses Frontline for leave management, including sick leave and vacation tracking. The data from Frontline is imported into the ELTS Module of the Financial 2000 system to update employee leave balances. During interviews, staff indicated that not all employees consistently log their absences in Frontline for purposes such as obtaining a substitute or notifying their supervisor of their absence. When an employee fails to log their leave in Frontline, the school or department enters this information in a Google sheet and sends it to the Human Resources Department. Human resources staff then update the employee's leave balance in the ELTS Module of Financial 2000.

It is crucial for schools and departments to verify and reconcile employee leave balances monthly. Failure to do so can lead to inaccuracies and potential overuse of leave. Despite the district's mandate that schools and departments submit monthly employee leave balance affidavits to payroll, this procedure is not consistently enforced nor uniformly followed.

The district does not perform any reconciliation of substitute timesheets because substitutes do not submit them. Instead, schools and departments submit certificated and classified substitute timesheets on their behalf, based on reports downloaded from Frontline. These reports are not signed off and approved by a principal or manager. To enhance accuracy, it would be beneficial for the district to require substitute employees to record and sign their own timesheets for the days and hours worked. This would enable reconciliation with the Frontline reports, ensuring correct employee pay and accurate payroll.

When overpayments occur, payroll staff are responsible for collecting the funds and making the necessary adjustments with various agencies such as tax authorities and retirement systems. This process is cumbersome and labor-intensive. The district needs to implement and enforce clear procedures and deadlines to minimize overpayments and streamline payroll operations.

Recommendations

The district should:

1. Ensure that staff in the Human Resources and Fiscal Services departments have a comprehensive understanding of the salary-based system and how pay is calculated.
2. Continue to maintain and communicate a payroll calendar that includes cutoff dates and pay dates.
3. Distribute the payroll calendar to all relevant departments and users to ensure responsible parties meet critical deadlines.
4. Enforce the timely submission of timesheets, including from substitutes, and other payroll-related documents.
5. Ensure that personnel requisitions are initiated and routed as soon as possible, especially for new hires and terminations.
6. Regularly communicate the importance of timely routing to all parties involved in the personnel requisitions approval process.

Human Resources Department Processes and Procedures

Overview

Functions pertaining to human resources are critical to a school district's daily operations, affecting every level of the organization. The Human Resources Department is responsible for coordinating all aspects of personnel services, including employee recruitment, selection, onboarding and training. Human resources staff help with employee evaluation and management processes and oversee employee benefits and salaries. They also develop and implement policies and procedures to ensure compliance with collective bargaining agreements and labor laws and regulations. A school district relies on its Human Resources Department to effectively manage personnel matters and develop a high-performing workforce.

Effective Human Resources departments are skilled in communication, conflict resolution, and employee development. They are proactive in providing guidance on workplace policies and practices, and they actively solicit feedback from employees to foster a supportive work environment. They also promote positive employee relations and a fair and respectful work environment, all of which contribute to a school district's long-term success and fiscal solvency.

Interviews indicated that some of the systems and processes within the Human Resources Department are outdated, inefficient, and often subject to delays. New employee information is sometimes not routinely entered into the position control database system, EPICS, resulting in payment discrepancies or delays. This inefficiency extends to the hiring process, which is slow from the requisition approval stage to the completion of new employee onboarding. These extended wait times have caused the district to lose out on highly qualified candidates. Additionally, if a Human Resources Department staff member is absent, their workload comes to a halt until their return, further slowing departmental efficiency.

During interviews, staff expressed concerns about the Human Resources Department's general lack of responsiveness. Several staff members described interactions with the department as unwelcoming and unhelpful, impacting both current employees and potential candidates, as well as the general public. This situation underscores the need for systemic improvements to enhance efficiency, responsiveness, and overall service quality within the Human Resources Department.

Employees reported that, for various reasons, some human resources staff members have assumed or been assigned responsibilities outside their job descriptions. Examples include overturning decisions made by administrators, altering position postings, screening out qualified candidates, and independently modifying established processes.

Interviews indicate that inefficiencies in the Human Resources Department are partly due to personnel changes and the limited experience of administrators and staff. As discussed earlier in this report, the department has two new administrators. Although these administrators have implemented changes, their inexperience sometimes leads to their directives being circumvented by staff.

Moreover, staff reported that the new administrators of the Human Resources Department are frequently away from the office, which makes them difficult to contact. Other district staff reported that reaching the Human Resources Department in general has been challenging, with responses to calls and emails often delayed until after 4 p.m. This situation highlights the absence of a districtwide standard for timely communication and underscores the need for improved communication protocols.

The administrators' lack of familiarity with day-to-day human resources operations and the amount of time they are out of the office has affected the department's function. Human Resources Department staff voiced concerns about having limited input into departmental changes, and confusion regarding which administrator was responsible for supervising certain staff members. Some staff questioned whether the new administrators fully understood the department's daily operations or the processes involved. These administrators were seldom named as go-to resources for staff with questions or concerns.

To address these issues, it is essential that the district provides professional development opportunities for the new administrators to deepen their understanding of human resources operations, policies, and best practices. Such training would enable them to make more informed decisions, streamline processes, and enhance departmental communication. Investing in the professional development of these administrators can help alleviate inefficiencies, improve responsiveness, and significantly enhance the overall effectiveness of the Human Resources Department.

Recommendations

The district should:

1. Improve outdated, inefficient and untimely systems and processes.
2. Provide human resources administrators with professional development to enhance their understanding of human resources operations, policies and best practices.
3. Ensure clear communication regarding the supervision of human resources staff and the authority given to managers.
4. Implement a district-wide standard for communication, including response times for emails and phone calls.
5. Require human resources administrators to maintain a visible presence in the office to enhance communication, support and oversight and ensure involvement in the day-to-day operations.

Reorganization

The assistant superintendent of human resources recently took measures to implement changes within the Human Resources Department. They helped develop and present to the human resources staff a PowerPoint outlining revised assignments and duties for each team member. During interviews, human resources staff members acknowledged being informed about upcoming changes, but it became apparent to FCMAT that staff were confused about their new assignments.

After the presentation, a districtwide email was sent regarding a new staff directory/assignment guide for human resources. The email included an attachment delineating assignments for each member of the Human Resources Department. Staff explained that while some assignments remained unchanged, others were new. Some staff mentioned having meetings with administrators about upcoming changes in assignments, while others commented that they were not aware that the assignment changes had been finalized until after the new assignment list was distributed. Staff reported being surprised by the new assignment list and indicated that they were not aware of their assignments as outlined in the resource guide. FCMAT could not verify whether each staff member is performing all the functions assigned to them, as outlined in the presentation.

The new staff directory/assignment guide provides for at least two individuals to manage similar tasks across different schools and departments. This change should ensure that critical work continues even when staff are absent. It should also allow for better customer service by having several staff members capable of performing a range of tasks. However, because the reorganization occurred less than a month before fieldwork, FCMAT could not assess the effectiveness of the Human Resources Department's reorganization.

Recommendation

The district should:

1. Improve communication between human resources administrators and staff to ensure that everyone is informed about upcoming changes to their assignments and duties.

Structure and Staffing

During interviews, several individuals reported that the Human Resources Department had recently hired additional staff, as shown in table 3 below. Some speculated that this hiring was aimed at addressing perceived performance issues within the department. However, despite the new hires, staff stated that there had been no significant improvement in the department's performance.

Human Resources Department staff members reported frequently working beyond their regular hours, either at the office or remotely from home. Documentation indicated that collectively, the Human Resources Department staff logged 482 hours of overtime during the 2022-2023 fiscal year. Some staff members stated that they did not submit their additional hours of work because they were confidential employees. Additionally, staff stated that over the past 18 months, the department has experienced significant turnover, resulting in disruptions in workflow and overall effectiveness.

Table 3. Number of positions within the Human Resources Department from March 2021 to January 2024.

Position	3/2021	9/2022	12/2023	1/2024
Assistant Superintendent	1	1	1	1
Director	1	1	2	2
Executive Assistant	1	1	1	1
Administrative Assistant	1	1	1	1
Human Resources Coordinator	2	2	2	3
Leaves Coordinator	0	1	1	0
Credentials Technician	0	2	2	2
Human Resources Analyst	0	2	2	2
Human Resources Technicians	7	4	3	5
Human Resources Assistant	2	1	1	1
Total	15	16	16	18

Source: District-provided information.

As shown above, the Human Resources Department filled three additional positions between March 2021 and January 2024. These positions are included in the department's organizational chart, as shown in figure 1 on the following page.

2023-24 Human Resources Department Organizational Chart

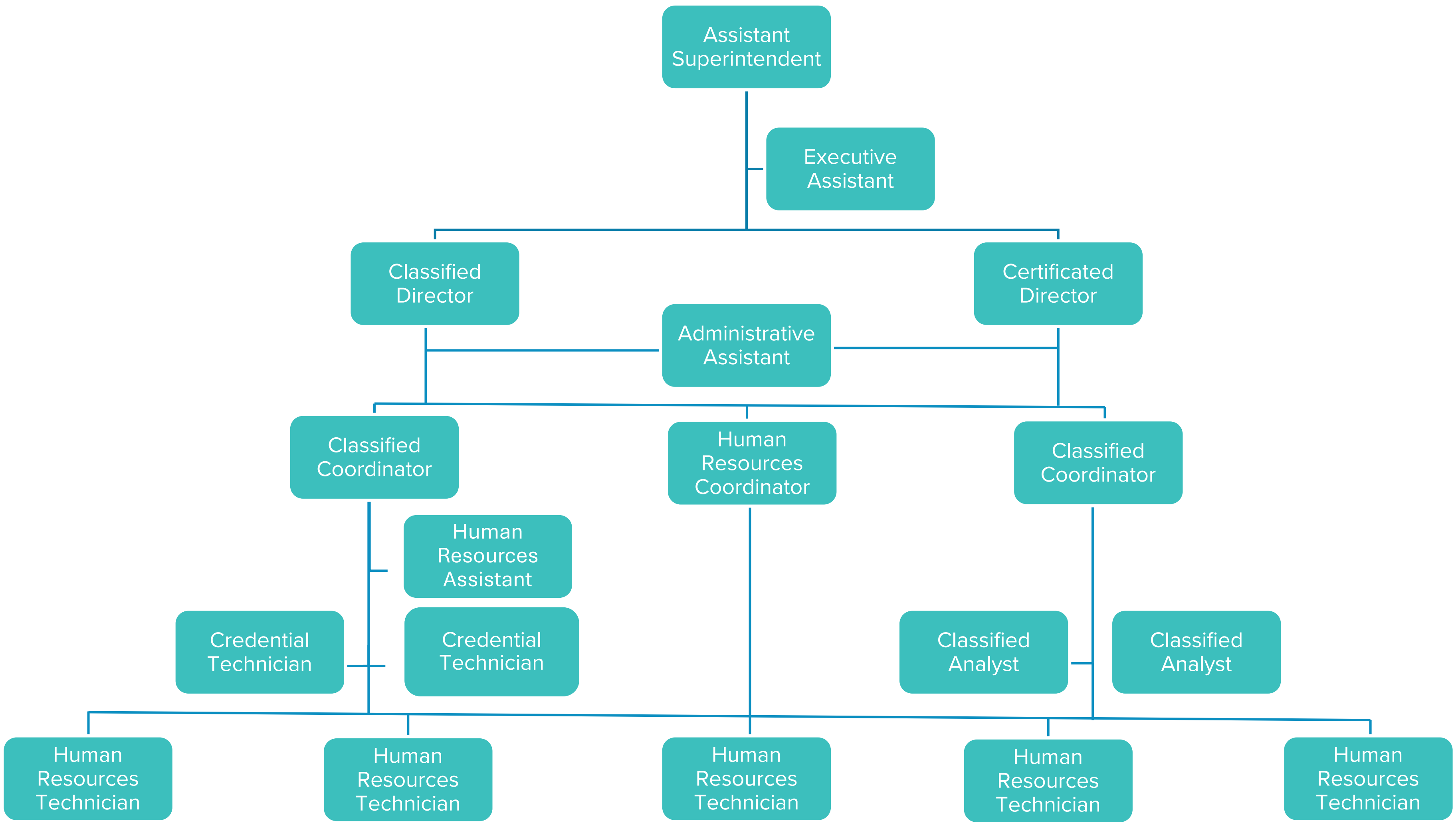

Figure 1. Organizational chart of the district's Human Resources Department as of the time of FCMAT's fieldwork.

Source: Adapted from district-provided information.

Between March 2021 and January 2024, staff turnover affected eight positions within the Human Resources Department: the assistant superintendent of human resources, the human resources director, an executive assistant, a credential coordinator, a human resources assistant, a human resources analyst, and two human resources technicians. At the time of fieldwork, one of the human resources assistant positions had not yet been filled, and one employee was new to the department and had yet to complete the transition from her previous department.

During interviews, several concerns were raised about the hiring practices within the Human Resources Department. Examples cited included instances where positions were filled without being publicly advertised, and promotions within the Human Resource Department being exclusively offered to current human resources staff members. Although a review of district documents confirmed that positions within the Human Resources Department were posted publicly, interviews with department employees indicated that most nonentry-level staff positions were typically filled by current human resources staff members. Furthermore, interviews suggested that at least one recent hiring did not adhere to the Human Resources Department protocol.

Best practice dictates that the Human Resources Department needs to follow its established protocols in all hiring circumstances, particularly when filling positions within its own department. Failure to do so can lead to inefficiencies, introduce bias, pose legal risks, and damage the district's reputation and organizational culture. Such inconsistencies can erode trust, negatively impacting morale and employee engagement across the organization.

Recommendation

The district should:

1. Ensure that hiring protocols are followed when filling all positions.

Credentialing

In accordance with EC 44258.9, certificated staff in California school districts must hold valid credentials qualifying them for teaching roles in classrooms or specific subjects. Similarly, professionals such as school psychologists, nurses, counselors and principals must possess appropriate credentials for their positions. The county office oversees educator assignments and serves as the monitoring authority. Using the California Statewide Assignment Accountability System (CalSAAS), the county office reviews all certificated assignments within the school district.

The Human Resources Department's credentialing technician is responsible for ensuring alignment between certificated staff members' assignments and their credentials. Reviews are conducted at the beginning of each school year and again midyear. However, the 2022-23 credentials audit conducted by the county office indicated a total of 61 misassignments within the district, with the majority concentrated at one high school and three middle schools. While staff stated that they helped the employees and school principals correct these misassignments, the district did not provide FCMAT with any information regarding proactive support or plans to prevent similar misassignments in the future.

To ensure effective credentialing processes, it is essential for the new human resources certificated director and credentialing technician to stay updated on evolving certification requirements, assignments, legislation and regulations. During interviews, staff reported that they regularly attend training from both the county office and the state. The county office offers a variety of workshops, including:

- **Credential Services Weekly Connect:** Conducted weekly.
- **New Certificated Personnel Technician Training:** Scheduled as needed.
- **Assignment Monitoring & Review Training:** Offered annually.
- **Updates in Credentialing:** Conducted annually.
- **Williams Case Certification Data Collection:** Held annually.

The Commission on Teacher Credentialing and other organizations also host special workshops and webinars that provide in-depth information on changes in credentialing regulations. Active participation in these events is crucial to ensure that the district remains in compliance with credentialing requirements and can address any issues that arise. It is vital that the new human resources certificated director attend these workshops and fulfill their role in helping the district uphold its commitment to compliance.

The misassignment of teachers poses significant risks to educational quality, legal compliance, professional development, student outcomes, and teacher morale and retention. Therefore, it is of paramount importance for the district to ensure that teachers are assigned according to their qualifications and expertise. This practice fosters effective teaching and learning environments, benefiting both educators and students alike.

Additionally, principals should undergo training in various areas, including credentialing requirements, conducting thorough teacher evaluations, ensuring legal compliance, analyzing data for informed decision-making, planning professional development, fostering communication and collaboration, and promoting cultural competence and equity. Such training allows principals to effectively oversee teacher assignments, support teacher development, and ultimately contribute to improved educational outcomes for students.

Recommendations

The district should:

1. Analyze each site's misassignments and work with school administration to minimize similar or new misassignments.
2. Ensure that employees and school principals are trained on the proper placement of employees according to their credentials.
3. Ensure that the human resources certificated director participates in the specialized workshops and webinars to stay informed about changes in credentialing regulations.

Recruitment and Hiring

A key responsibility of any Human Resources Department is overseeing the hiring of all district personnel. This includes developing processes and procedures for recruiting quality candidates, screening applicants, facilitating interviews, and inputting new employees into the system and onboarding them.

In terms of recruitment, hosting and attending job fairs is essential for several reasons. These events not only boost the district's visibility but also help facilitate the recruitment process, especially when multiple positions need to be filled quickly. They provide valuable opportunities to connect with a diverse pool of talent and allow for face-to-face interactions with potential candidates. These interactions can help human resources staff assess a candidate's qualifications, suitability and personality. This makes job fairs a cost-effective recruitment strategy.

When determining when and where to recruit, school districts need to develop a recruitment plan and document which resources are most effective in recruiting applicants. Any recruitment plan should include working with local university credential programs. The district did not provide FCMAT with a recruitment plan.

During interviews, staff highlighted concerns regarding the time it takes between recognizing a vacancy and hiring a new employee. As discussed earlier in the "Recruitment and Hiring" subsection of this report, personnel requisitions often encounter delays during the approval process. Staff also expressed concerns about how long it takes the Human Resources Department to process applications and extend offers to top candidates. Inadequate communication to both candidates and hiring supervisors about the status of the hiring process, along with a perceived lack of urgency among human resources staff in hiring selected candidates, were also identified as areas of concern.

During interviews, staff outlined the general process for hiring for a vacancy as follows:

1. The school or department generates a personnel requisition.
2. The personnel requisition is electronically routed to all necessary approvers, who vary depending on the funding source.
3. The Human Resources Department brings the personnel requisition to the executive cabinet for discussion and final approval.
4. Upon approval, the position is posted on EDJOIN.org.
5. The Human Resources Department screens the job applications.
6. The Human Resources Department provides the requesting school or department with access to the prescreened applications.
7. The school or department conducts interviews and checks the references of the top candidate(s).
8. Once the selection is made, the school or department provides the chosen candidate's information to the Human Resources Department.
9. The Human Resources Department initiates contact with the candidate and conducts the preemployment process.

Several steps in the hiring process have the potential to either expedite progress or introduce delays. For example, a personnel requisition might linger in someone's inbox for days awaiting approval or undergo multiple rejections, thereby prolonging the approval process. Moreover, a personnel requisition may not reach the Human Resources Department until after the weekly executive cabinet meeting, resulting in a delay in final approval until the next meeting.

Staff stated that while there is no standard length of time between personnel requisition approval from the executive cabinet and the posting of the position; however, positions are typically posted within one to two weeks after cabinet approval. They also noted that positions categorized as difficult to fill may be posted "until filled," indicating there is no designated closing date. FCMAT found that some positions were posted longer than others without clear justification. During interviews, staff stated that certain job postings on EDJOIN.org sometimes get overlooked because the website's front page shows only the most recent job postings. Even so, the EDJOIN.org website allows applicants to search jobs by category, district, and region.

The district's contract with the Association of Colton Educators (ACE) states that positions must be posted for a minimum of seven days when the district office is open, while the district's contract with the California School Employees Association (CSEA) states that positions must remain open for a minimum of six calendar days. However, "in-house only" postings must remain open for 10 calendar days under the CSEA contract. It is best practice, barring the need to post a position as open until filled, to post positions for a standard amount of time. This consistency will help both staff and candidates in planning.

While some human resources staff stated that they try to provide schools and departments with access to screened candidates within approximately one week of the closing of a posting, there is no established timeline for screening applications or providing schools and departments access to the candidates.

Staff also highlighted discrepancies in the district's screening process where some qualified candidates were not screened through, which indicates inconsistencies in the screening process. These issues can erode trust in the Human Resources Department's processes and procedures and may raise concerns about fairness. Although specific reasons for these discrepancies were not explicitly provided during interviews, they likely arise from differences in how staff members interpret and apply the screening criteria. The district's lack of standardized guidelines or protocols for screening applicants may also be contributing to these disparities. Conducting a thorough review of the screening process, including an assessment of existing procedures, and providing training for all staff involved could help the district identify and resolve the underlying causes of these inconsistencies.

The district lacks an established timeline for screening applications or providing schools and departments access to candidates. Despite this, some human resources staff stated that they try to provide schools and departments with access to screened candidates within approximately one week of the closing of a posting.

Subsequent to fieldwork, the Human Resources Department updated its Interview Protocols. This document, revised as of February 9, 2024, outlines the interview process for all district positions and indicates who is responsible for each step. It states that school and department supervisors are responsible for setting up interviews and conducting reference checks. The Human Resources Department provides the schools and departments with interview paperwork, including a selection of questions to choose from.

Hiring managers have been explicitly instructed not to contact candidates directly. However, during interviews, staff voiced concerns regarding the timeframe between when schools and departments notify the Human Resources Department of their top candidate and when human resources staff contact the candidate. There were reported instances where human resources staff postponed reaching out for days or even weeks. Staff emphasized that highly qualified candidates often choose positions with other school districts that contact them promptly. Such delays often result in restarting the entire hiring process.

Some Human Resources staff members reported that they try to contact selected candidates within 48 hours of receiving recommendations from schools and departments. They encourage candidates to visit the Human Resources Department that same week so staff can begin processing their employment paperwork. Moreover, the Human Resources Department offers support to candidates undergoing credentialing, although this process may take up to two months.

Once candidates begin the employment paperwork process, they may encounter additional delays, such as waiting for fingerprint screening results. Staff also noted that candidates do not always complete their paperwork promptly, resulting in additional delays and necessitating reminders from human resources staff. Staff stated that one of district's new software systems, Helios, includes an online task management system that sends reminders to candidates to finish their paperwork. Helios is designed to streamline human resources and business processes and facilitate a transition to paperless workflows.

School and department staff also reported a general lack of communication from human resources staff throughout the hiring process. Without updates on the status of their personnel requisitions or the progress of candidates, staff worry that vacancies will not be filled in a timely manner. As such, the Human Resources Department needs to improve communication around the hiring process and status.

In addition, it is imperative for the Human Resources Department to establish clear timelines and deadlines for each stage of the hiring process. For example, candidates should be contacted within 24 hours of having been recommended by a school or department. Similarly, positions approved by the executive cabinet should be posted within 24 hours. Implementing these two timelines could significantly reduce the amount of time between initiating a personnel requisition and hiring a candidate. Establishing timelines for other components would also help to streamline the overall hiring process.

Recommendations

The district should:

1. Create a hiring protocol document similar to the Interview Protocols document that outlines the hiring process and timelines for:
   - Personnel requisition approvals and postings.
   - Closure of postings.
   - Granting school staff or department access to prescreened candidates.
   - School staff's or departments' recommendation of selected candidates.
   - Communication by the Human Resources Department to selected candidates.
2. Determine maximum timelines for each component of the hiring process, in consideration of the collective bargaining agreement requirements, testing requirements, and staff capacity.
3. Establish consistent screening practices and monitor them to ensure they are implemented.

Job Descriptions

School districts are required to develop and maintain job descriptions for all staff positions. This duty is often mandated by state and federal employment laws and regulations, such as the Fair Labor Standards Act, which requires employers to accurately classify positions and pay employees based on their job duties and responsibilities. Moreover, job descriptions are integral to effective personnel management.

Each job description should provide candidates and employees with a clear understanding of the position and its responsibilities. A comprehensive job description will typically include the following key elements:

- **Job Title:** The job title should accurately reflect the position and its responsibilities. This can help ensure compliance with state and federal employment laws, such as those related to wage and hour regulations and overtime eligibility.
- **Purpose:** The job's purpose should be clearly defined, including the position's overall goals and objectives. This can help ensure that the position is properly classified and compensated in accordance with applicable employment laws and regulations.

- **Duties and Responsibilities/Essential Functions:** A thorough description of the position's specific duties and responsibilities should be included, outlining the tasks and functions that the employee will be responsible for. This can help ensure that the position is classified correctly and that employees are paid in accordance with their job duties and responsibilities.
- **Minimum Qualifications:** The minimum qualifications required for the position should be clearly stated, including the education, experience, credentials or certifications necessary for the job. This can help ensure compliance with employment laws related to hiring and equal employment opportunity.
- **Preferred Qualifications:** Any preferred qualifications, such as additional education or experience that may be beneficial for the position, can also be included if they do not discriminate against any classes of people who are protected under employment laws.
- **Working Conditions:** A description of the working conditions associated with the position should be included, such as the physical demands of the job, work schedule, and any other relevant information. This can help ensure compliance with employment laws related to workplace safety and with accommodations for employees with disabilities.

Use of these key elements can help school districts ensure that they are in compliance with legal requirements and guidelines. School districts can also use their job descriptions to set goals and objectives to align employees' performances with the organizations' goals and desired outcomes. Moreover, job descriptions can identify areas where an employee may need additional training or development. Management can help employees who are not meeting the requirements outlined in their job descriptions by providing them with feedback and coaching to improve their skills.

Regular updates to job descriptions are essential to reflect current organizational needs, rather than past requirements. As such, it is imperative to list governing board approval or revision dates on job descriptions to ensure they are being kept up-to-date. While job descriptions need to include the essential duties of the position, they should also offer flexibility to allow for the assignment of duties not explicitly listed. A well-crafted job description provides candidates with information about job requirements, establishes expectations for employee evaluation, and discourages employees from shifting their responsibilities to others.

Comprehensive job descriptions are vital for maintaining compliance with the Americans with Disabilities Act, which requires that employers make reasonable accommodations for employees with disabilities. Job descriptions should state the essential functions of a position, including tasks that cannot be removed without changing the job's nature. Accurate job descriptions can help school districts determine reasonable accommodations for employees with disabilities that do not compromise positions' fundamental duties. School districts should avoid listing requirements that are not essential to the job.

The Americans with Disabilities Act requires the use of an interactive process in which employers engage in a dialogue with employees or job applicants with disabilities to determine whether a reasonable accommodation can be made that would enable them to perform the essential functions of the job. The interactive process is an ongoing conversation that involves sharing information about the employee's limitations and the job's requirements, as well as potential accommodations that may be effective. The goal is to identify an accommodation that enables the employee to perform their job without creating an undue hardship on the employer. Employers can be held liable for their failure to engage in the interactive process and/or to provide reasonable accommodations.

During interviews, job descriptions were mentioned in various contexts. Interviewees indicated that:

- Some responsibilities were not in their job descriptions.
- Some assignments were noted in other employees' job descriptions rather than their own.
- Some positions had been created to assign responsibilities to someone who would do them.
- Some employees had taken steps to have some of their tasks reassigned because they were not explicitly mentioned in their job descriptions.

Additionally, some interviewees expressed concerns that human resources staff do not always have helpful information or guidance regarding job descriptions. As noted earlier in this subsection, job descriptions should provide general outlines of expectations, job responsibilities, and qualifications rather than comprehensive, all-inclusive lists of duties. They need to allow for flexibility in task assignment.

Classification Studies

Classification studies play a crucial role in updating job descriptions and ensuring that positions are correctly classified and compensated. A comprehensive classification study involves analyzing and updating salary ranges to ensure both internal and external equity. Internal equity entails comparing pay ranges within the district, considering factors like job complexity and responsibility. Conversely, external equity involves benchmarking district jobs against similar jobs in other districts to ensure that the salaries offered are competitive. A best practice is to study job families (i.e., groups of jobs sharing similar work, skills, and expertise) every three to five years.

Districts need to be transparent when conducting classification studies and provide employees with updates on the progress and outcomes of these studies. A best practice is to provide general information on classification studies to ensure employees are aware that not all classification studies result in changes to job responsibilities or salary ranges.

Article 7.5 of the district's collective bargaining agreement with CSEA states that job classifications "shall be reviewed on a rotational basis to ensure job classifications, titles, and salaries are current." The agreement also states the following districts will be used as benchmarks for this data: Fontana, Rialto, San Bernardino City, Redlands, Ontario-Montclair, Hesperia, Upland and Chaffey. The agreement requires job classifications to be reviewed every three years in this order:

Year 1: Information Technology, Library/Media, Fiscal Services, Printing, Nutrition Services.

Year 2: Clerical/Secretarial, Safety/Security, Transportation, Warehouse.

Year 3: Instructional Support, Student Services, Custodial, Grounds, Maintenance.

The job families outlined in Year 1 will undergo a classification study during the 2023-24 school year. Interviews with district staff indicated that this process entails distributing surveys to incumbents to gather input on current job responsibilities. A committee composed of both district and CSEA representatives who are assigned to review job descriptions and gather employee input is then formed. This process involves revising job descriptions as necessary, reaching consensus within the committee, conducting salary surveys using the benchmark districts, assessing whether job classifications align with appropriate salary ranges, and implementing any necessary salary adjustments.

District staff acknowledged that employees generally do not have access to information about the classification study process, are not typically provided with updates on committee proceedings, and often lack an understanding that the process may not result in changes to job descriptions or salary ranges. Furthermore, the district has not effectively communicated with employees regarding the importance of analyzing both internal and external equity and their impact in determining salary ranges. The district's website lacks any information about the ongoing studies.

As part of its analysis, FCMAT sampled some of the district's job descriptions for the Fiscal Services and Human Resources departments. Some of the sampled job descriptions and their respective revision dates are shown in table 4 below. Most of the fiscal services job descriptions that were last reviewed in 2018 will be included in the classification study for 2023-24.

Table 4. Sample of district job titles and revision dates.

Job Title	Last Revised
Accounting Assistant I	10/10/2018
Accounting Assistant II	10/10/2018
Accounting Technician	10/10/2018
Benefits Specialist	10/10/2018
Buyer	10/10/2018
Fiscal Analyst	10/10/2018
Lead Accounting Technician	10/10/2018
Purchasing Assistant	10/10/2018
Risk-Safety Specialist	6/12/2020
Senior Buyer	10/10/2018
Classified Human Resources Analyst	2/24/2022
Credentials Technician	12/15/2021
Human Resources Leaves Technician	10/25/2021
Human Resources Assistant	7/16/2019

Source: District-provided information.

FCMAT identified discrepancies regarding the inclusion of revision dates in the district's job descriptions. Some descriptions included dates indicating board approval or revision, while others were marked as "undefined," and some lacked dates entirely. Every job description sampled included a statement that incumbents will "perform related duties as assigned," allowing for flexibility.

The job descriptions sampled outlined the basic function of the positions and their distinguishing characteristics, providing clarity to employees. For example, the accounting technician job description specifies that the role's basic function is to "lead other accounting personnel in specified accounting areas such as accounts payable, payroll, benefits, ASB and food service." Furthermore, a distinguishing characteristic of the position is that "Accounting Technicians serve in a lead capacity or are assigned a more complex accounting duties." These statements allow for flexibility and accommodate a broad range of duties.

Reclassification Requests

The CSEA agreement outlines the reclassification process. Specifically, Article 7.3.1 states, in part:

> Whereas a result of the gradual increase of duties being performed by a unit member, and where the duties will be extended on a continuing basis, the incumbent shall be entitled to have the position considered for an upgrade to a higher classification. …

The subsequent sections of Article 7.3 detail the reclassification process. It also states that reclassification requests may be submitted annually. As discussed in the "Job Descriptions" subsection of this report, some district staff expressed concerns about performing tasks outside their job descriptions. As such, it is crucial that the district provide all employees with information on the reclassification process to ensure it is in compliance with its contractual obligations.

Recommendations

The district should:

1. Continue reviewing job descriptions on a rotational basis.
2. Grant all staff members online access to general information on classification studies as well as updates on the progress and outcomes of these studies.
3. Ensure that job descriptions include revision dates and offer flexibility in assigning duties not explicitly outlined in the descriptions.
4. Ensure that employees understand that while specific assignments may not be listed in their job descriptions, they may still be assigned and required to perform these tasks.
5. Provide employees with clear guidance on the processes of and timelines for submitting reclassification requests.
6. Adhere to the stipulations outlined in the collective bargaining agreements when considering and responding to employee concerns related to job duties.

New Employee Onboarding

New employee onboarding is the process of integrating a new employee into a district and equipping them with the necessary tools and information to become a productive staff member, with the goal of facilitating a seamless transition into their new role. This includes accurately inputting the employee's information into the district's personnel and financial systems and ensuring the completion of various federal, state, and local hiring paperwork before employees start working in the district. The onboarding process works best when organized collaboratively across multiple departments, including human resources, benefits, payroll, and information technology.

The Human Resources Department plays a critical role in overseeing the onboarding process. This involves collecting all required documents from relevant departments, emphasizing the importance of timely completion of forms to new employees, and facilitating efficient processing of the completed forms. Meticulous attention to detail in this process not only ensures compliance with regulatory requirements but also contributes to a positive experience for new hires and sets the stage for success within the organization.

During interviews, staff raised concerns about the effectiveness of new employee orientations and the timely completion of paperwork essential for benefits and payroll processing. Some staff members noted that the Benefits Department does not receive new employee information on a consistent or timely basis. Human Resources Department staff stated that they stress the importance of signing up for benefits in a timely fashion when meeting with new employees. However, similar to other paperwork, some employees follow up promptly while others do not.

When paperwork is not submitted timely, benefits personnel cannot have a discussion with the new employees on their benefits options. This, in turn, leads to new hires making uninformed decisions.

Moreover, staff shared that the 30-day benefit enrollment window sometimes pressures new employees into making hasty decisions without considering all their options. In addition, the benefits system only uploads enrollment information once a week, which creates delays in providing coverage to new employees and potentially leaves them vulnerable in the event of an emergency. Departments and school management, as well as existing employees, noted that newly hired employees sometimes tried to enroll in benefits only to find out that their information had not been entered into EPICS.

Staff concerns about payroll primarily focused on delays in completing new employees' paperwork and accurately entering required information into EPICS. Payroll staff provided sample payroll forms (e.g., W-2's) to the Human Resources Department with the expectation that human resources staff would create copies for employees as necessary. However, some staff within the Human Resources Department believe that payroll staff should supply them with copies of these forms.

Onboarding Checklists

The Human Resources Department has developed new employee checklists for both certificated and classified employees. The classified employee checklist is divided into two sections: one for items required before the employee's start date and another for items the employee has received. This clear organization helps prioritize tasks and ensures that paperwork is completed and provided in a timely manner.

Similarly, the certificated employee checklist consolidates the items required before the employee's start date and the received items into a single document. It also includes a list of tasks that human resources staff need to complete to finalize the employee's enrollment in district systems. This approach creates accountability and tracking systems for the onboarding process.

While using separate checklists for different employee categories may offer certain advantages, it is important that the Human Resources Department maintain consistency and alignment in its onboarding processes. Human Resources Department leadership needs to work together to ensure that both certificated and classified employees receive a thorough and equitable onboarding experience. Furthermore, conducting periodic reviews and updates of the checklists can help the department in addressing any new needs or requirements.

Employee Handbook

The district's Employee Handbook and Acceptable Use Agreement was last revised in June 2022. It encompasses a wide array of policies and guidelines, including: Nondiscrimination Message; Alcohol, Drug and Tobacco-Free Workplace; Sexual Harassment Policy; Family Care and Medical Leave Act; Child Abuse Reporting; Computer Use Policy; Universal Precautions; Tuberculosis Clearance Policy; Water Activities; Immigration Status of Students; Classroom Visitors; Dress and Grooming; Responsibility for Learning and Discipline; Complaint Procedures; and Acceptable Use Agreement for District Computer Resources.

New Hire Orientations

As of August 16, 2023, the Human Resources Department's calendar of New Employee Orientation sessions shows that these sessions have been scheduled and conducted on a bi-weekly basis. Each session lists representatives from human resources, payroll, and benefits. As part of the new employee onboarding process, human resources staff are responsible for scheduling new employees for orientation within one month of their start date. Although attendance at these meetings is mandatory, there are occasions when schools request to reschedule the orientation because the employees are needed on-site. Such requests are typically granted.

The district's new hire orientation PowerPoint includes the following topics: What to do when an Injury Occurs; Safety Shoe Program; Safety Program; Office Ergonomics; Property and Liability; Classroom Fire Safety; Benefits Enrollment and Enrollment of Dependents; Qualifying Life Events; Rates at a Glance; Benefits Available to Employees; Payroll Dates; Direct Deposit Authorization; Accessing Employee Self Service; HR Things We Can Help With; Dress and Grooming; Alcohol, Drug, and Tobacco-Free Workshop; Sexual Harassment; and Child Abuse-Mandated Reporters.

Furthermore, the district's agreements with ACE and CSEA provide for association access to new hire orientations and require that the district provide new employees with association information and applications. The respective associations are required to provide this written information to the district.

Recommendations

The district should:

1. Review and standardize new hire checklists to ensure consistency. One approach could involve dividing each checklist into three sections:
    - The items required from the employee before their first day of employment.
    - The documents to be provided to the employee.
    - The tasks that must be completed to enroll the employee in all district systems.
2. Consider including the distribution of basic benefits and payroll information in the checklist.
3. Ensure that the Human Resources Department receives all essential information and master copies of forms for new employees.
4. Add information regarding benefits and payroll to the Employee Handbook.
5. Make the Employee Handbook accessible online.

Software Systems

The district relies on multiple software systems to manage its personnel and fiscal management processes. As discussed earlier in this report, Financial 2000, which is provided and managed by the county office, serves as the district's financial management platform. It features an integrated human resources module, EPICS, used to maintain all types of employee/position control data.

In Financial 2000, district staff record all general ledger and budget transactions, purchasing, and accounts payable. The EPICS module serves as the repository for employee data, with the personnel tab being the primary location for storing essential employee information such as demographics, affirmative action details, and categorization. EPICS data is integrated with payroll, employee leave tracking, budget development, and the California Longitudinal Pupil Achievement Data System (CALPADS) Data Unification Collection System (CDUCS) reports 2000. This integration allows the district to create ad-hoc reports on demand.

In addition to the EPICS module, the Human Resources Department uses a variety of software systems to manage human resources functions, as shown in table 5 on the following page.

Table 5. Software systems used by district's Human Resources Department and their respective functions.

System	Use
Financial 2000 (EPICS and ELTS Modules)	Position control and leave management.
G Workspace (Google Documents, Sheets, Slides, Forms, and Calendar)	School and department staffing sheets including position control, and notes regarding site-specific issues such as last incumbent and funding source.
Microsoft Suite (Word, Excel, PowerPoint, Access)	Track and maintain seniority lists, employee history such as previous positions salary steps, and ranges, and evaluation dates.
Frontline Absence Management System	Track employee absences and automated substitute calling.
Adobe	Create PDF documents for school and departments
EDJOIN.org	Post vacancies and screen candidates.
CODESP	Generate test questions and tests for classified positions.
Test Genius	Conduct online skills assessment for classified candidates.
ASCIP E-Learning	Provide online employee training in risk management and safety.
Smartetool	Process personnel requisitions.

Source: District data and interviews with staff.

In a follow-up telephone call, it was also mentioned that the Human Resources Department had purchased Helios, a software system designed to automate many human resources processes. The district plans to implement Helios for the 2024-25 school year.

During fieldwork, employees stated that while they input the necessary information into EPICS to ensure that employees are paid, they also rely on Excel, Access, and Google Sheets to manage data. Some staff expressed doubts about EPICS's capacity to store the data and generate the reports necessary to manage employees' work histories and meet human resources needs. They believe that maintaining the additional systems is beneficial, despite having to enter the data twice. Not only does this process increase staff workload, it also introduces the possibility of errors.

However, EPICS is an integrated human resource system designed to maintain all types of employee and position data. Staff at the county office stated that EPICS meets all their human resources needs. This suggests that staff in the district's Human Resources Department may not have a complete understanding of EPICS's capabilities. Using EPICS to its full extent could allow the department to eliminate the use of some of the other software systems; however, human resources staff would need comprehensive EPICS training. Human Resources Department staff also commented that EPICS does not allow data transfer from one system to another, so they need to enter the data manually. These employees are also responsible for entering employee information into the database linked to CALPADS.

Dissatisfaction with the Cooperative Organization for the Development of Employee Selection Procedures' (CODESP's) performance-based testing has led to the recent purchase of Test Genius. Human resources staff are using this software to conduct online skills assessments for classified candidates.

In addition to the systems listed in table 5, human resources staff also maintain paper personnel files. For example, certificated staff records are managed using a record card system to maintain information such as hire dates and annual salary updates.

Recommendations

The district should:

1. Provide comprehensive training for staff members on EPICS.
2. Determine whether the use of any other software systems could be reduced or eliminated.

Other Fiscal Services Department and Human Resources Department Considerations

Staff Training

It is imperative that school districts provide comprehensive training for staff members in their assigned areas of responsibility, and that managers offer clear direction and ongoing oversight as necessary. Both the Fiscal Services and Human Resources departments need to prioritize training efforts, particularly for new hires. As discussed earlier in this report, the two new human resources directors lack experience and would benefit from comprehensive training.

The county office holds countywide trainings and meetings in business services and human resources functions, providing valuable opportunities for information sharing and collaboration among colleagues. Additionally, numerous organizations, including the California County Superintendents (formerly the California County Superintendents Educational Services Association), Association of California School Administrators, California Association of School Business Officials, and School Services of California, Inc, provide other training opportunities. Encouraging staff to engage in such trainings not only fosters professional growth but also strengthens relationships with other school district professionals.

During interviews, some staff members expressed that they found it difficult to attend meetings and trainings because of scheduling conflicts and workloads. Similarly, other employees reported that attempts to attend or participate in online trainings were frequently interrupted by more pressing work matters. Consequently, the district needs to ensure that these meetings and trainings are accessible to all staff who could benefit from them.

The district also needs to continue promoting staff attendance at professional development opportunities and training activities to deepen their expertise in their assigned areas. Establishing a formal staff development plan for both the Fiscal Services and the Human Resources departments, aligned with the goals and objectives outlined in the district's design plan, is essential. It would also benefit the district to conduct individual assessments of employees' training needs, focusing on deficiencies identified in performance evaluations or highlighted in annual audit reports or compliance reviews. Furthermore, the department budget should be allocated the funds necessary to support the implementation of this development plan.

Cross-Training

Cross-training involves training employees to carry out tasks beyond their designated job description or across various departments within an organization. This practice offers numerous advantages that can improve a school district's overall performance. For instance, it ensures continuity of operations by enabling a second individual to step in and perform another employee's duties when the primary employee is unavailable. Additionally, having multiple employees trained for the same tasks provides a built-in system of checks and balances, allowing for the detection and correction of errors or irregularities.

Furthermore, cross-training promotes a deeper understanding of the roles and responsibilities within a school district, fostering collaboration and improving communication among employees. It also contributes to continuity during employee transitions because cross-trained employees can readily assume additional responsibilities as needed. This not only bolsters operational efficiency but also mitigates the impact of turnover by empowering employees to adapt to changing demands and challenges.

Cross-training plays a vital role in reducing turnover by providing opportunities for skill development and growth, thereby increasing employee retention over the long term. Cross-training is not designed to make employees interchangeable or replace the need for specific knowledge, skills, and abilities. Rather, it enables school districts to sustain operations during crises and short-term employee absences. To implement effective cross-training, each employee needs to develop and document standard operating procedures for their major tasks and responsibilities, ideally in a desk manual format, as discussed later in this report.

Interviews with FCMAT indicated that cross-training is inconsistent across the Human Resources Department and the Business Services Division. As a result, if a staff member goes on vacation or an extended leave, there may not be another employee who can step in and perform the necessary duties in a timely and appropriate manner.

However, as discussed earlier in this report, the Human Resources Department provided FCMAT with a PowerPoint presentation detailing its reorganization plans. The presentation indicated that all staff would be cross-trained. By promoting cross-training, the district can mitigate the negative impacts of employee absences and build a more resilient and adaptable team.

Feedback

It is essential that schools and departments be given the opportunity to offer feedback on the service provided by the Human Resources and Fiscal Services departments. This practice not only facilitates the development of best practices but can also increase efficiency and boost morale. Furthermore, it promotes collaboration among employees and fosters a deeper understanding of the various roles and their interconnectedness. Such efforts could help the Human Resources Department and the Business Services Division to cultivate mutual respect among staff, ultimately resulting in better customer service.

Procedure Manuals

Procedure manuals give a school district the ability to plan and diagram internal controls and written standards for schools and departments to follow. They allow employees to determine where their duties fit into a process, who provides the information they receive, and where the information they generate goes. Policies and procedures standardize processes and ensure the most accurate and efficient method is used to accomplish a task. They are essential for directing work and offer valuable guidance to schools and departments.

The district lacks procedure manuals and needs to develop them to support and maintain daily processes and proper internal controls. To expedite the completion of these manuals, the district could consider using a third party to help prepare them. This approach would help ensure the manuals are consistent in format across all sections of a department while allowing staff to remain focused on their assigned duties.

Desk Manuals and Written Procedures

Desk manuals are documents created for each position that include step-by-step procedures for job duties and workflow diagrams to ensure a better understanding of the position's duties and their timelines. Ensuring that another employee tests the manual's written procedures also helps with necessary revisions and cross-training. In addition, desk manuals:

- Help with training gaps that may remain after employee turnover.
- Provide guidelines for training (including cross-training).

- Help preserve institutional knowledge.
- Eliminate dependency on a single employee.
- Ensure employees follow the latest and most efficient procedures.
- Effectively document and monitor segregation of duties.

The Fiscal Services and the Human Resources departments lack desk manuals across most functional areas. These documents are particularly important when employees either leave a district, are on vacation, or are absent for a long time because of illness. They are also crucial for helping managers in developing clear and detailed written procedure manuals.

Staff members also need to create written procedures for inclusion in the desk manuals. Such procedures provide employees with clear and concise step-by-step instructions for performing routine tasks. They facilitate efficiency, enhance output quality, promote consistent performances, and reduce miscommunication and noncompliance with policies and regulations. A best practice involves one staff member creating a written procedure, followed by another staff member performing the procedure to identify areas that may require revision or clarification. These procedures should be updated as needed and stored on a shared drive for all personnel to access.

Recommendations

The district should:

1. Conduct an annual written assessment of the training needs for both fiscal services and human resources staff.
2. Develop a comprehensive a professional development plan for all employees, including management.
3. Implement cross-training for each position within the Fiscal Services and the Human Resources departments to ensure that essential tasks and functions can be completed without interruption during employee absences, position vacancies, or when additional assistance is needed to meet deadlines.
4. Task staff members with creating and maintaining written procedures for all job duties, updating them as needed, and storing them on a shared drive.
5. Consider using a third party to help staff prepare procedure manuals.
6. Regularly review and revise procedure and desk manuals, ensuring revisions occur at least annually.

Appendix

Appendix A – Study Agreement

Appendix A – Study Agreement

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
REVISED STUDY AGREEMENT
December 11, 2023

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

1. **BASIS OF AGREEMENT**

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

   In keeping with the provisions of Assembly Bill 1200, the county superintendent will be notified of this agreement between the district and FCMAT and will receive a copy of the final report. The final report will also be published on the FCMAT website.

2. **SCOPE OF THE WORK**

   A. Scope and Objectives of the Study

   1. Review operational processes and procedures in the Business Services Department and make recommendations for improved efficiency, if any, in the following areas:
      - Budget development
      - Budget monitoring
      - Position control
      - Payroll
      - Accounts payable
      - Accounts receivable
      - Purchasing and contracts (including approval workflow)
   2. Review operational processes and procedures in the Human Resources Department and make recommendations for improved efficiency, if any.
   3. Evaluate the workflow and distribution of functions within and between the above departments and make recommendations for improved efficiencies, if any.

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B. Services and Products to be Provided

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

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

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

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

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

6. Final Report – Electronic copies of the final report will be delivered to the district's administration and to the county superintendent following completion of the review. Printed copies are available from FCMAT upon request.

7. Follow-Up Support – If requested by the district within six to 12 months after completion of the study, FCMAT will return to the district at no cost to assess the district's progress in implementing the recommendations included in the report. Progress in implementing the recommendations will be documented to the district in a FCMAT management letter. FCMAT will work with the district on a mutually convenient time to return for follow-up support that is no sooner than eight months and no later than 18 months after completion of the study.

3. PROJECT PERSONNEL

The FCMAT study team may include:

To be determined	***FCMAT Staff***
To be determined	***FCMAT Consultant***
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. $1,100 per day for each staff 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.

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

Based on the elements noted in section 2A, the total not-to-exceed cost of the study will be $30,000.

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

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

5. **RESPONSIBILITIES OF THE DISTRICT**

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

B. The district will provide the following if requested:

1. Policies, regulations and prior reports that address the study scope.
2. Current or proposed organizational charts.
3. Current and two prior years' audit reports.
4. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the district and sent to FCMAT in electronic format.
5. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository, where the district will upload all requested documents.

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

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

6. **PROJECT SCHEDULE**

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

Orientation:	to be determined
Staff Interviews:	to be determined
Exit Meeting:	to be determined

Draft Report Submitted:	to be determined
Final Report Submitted:	to be determined
Board Presentation:	to be determined, if requested
Follow-Up Support:	if requested

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

FCMAT will begin work as soon as it has assembled an available and appropriate study team consisting of FCMAT staff and independent consultants, taking into consideration other jobs FCMAT has previously undertaken and assignments from the state. The team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the district and any other parties from which, in the team's judgment, it must obtain information. Once the team has completed its fieldwork, it will proceed to prepare a draft report and a final report. Prior to completion of fieldwork, the district may terminate its request for service and will be responsible for all costs incurred by FCMAT to the date of termination under Section 4 (Project Costs). If the district does not provide written notice of termination prior to completion of fieldwork, the team will complete its work and deliver its report and the district will be responsible for the full costs. The district understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the district shall not request that it do so.

8. **INDEPENDENT CONTRACTOR**

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

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 district, automobile liability insurance in the amount required under California state law, and workers' compensation as required under California state law. Upon the request of the district and the receipt of the signed study agreement, FCMAT shall provide certificates of insurance, with Colton Joint Unified School District named as additional insured, indicating applicable insurance coverages.

10. **HOLD HARMLESS**

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

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

11. **COVID-19 PANDEMIC**

Because of the existence of COVID-19 and the resulting shelter-at-home orders, local educational agency closures and other related considerations, at FCMAT's sole discretion, the Scope of Work, Project Costs, Responsibilities of the District (Sections I, IV and V herein) and other provisions herein may be revised. Examples of such revisions may include, but not be limited to, the following:

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

B. Activities performed remotely that are normally performed in the field shall be billed hourly as provided 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.s

13. **CONTACT PERSON**

Name: Mariamanda Sarabia, Director of Fiscal Services
Telephone: (909) 580-6604
E-mail: mariamanda_sarabia@cjusd.net

12/13/23

Gregory Fromm — Date
Assistant Superintendent, Business Services
Colton Joint Unified School District

12/13/23

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

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