
**Kern Community College District
Administrative Procedure**
Chapter 6 – Business and Fiscal Services

AP 6300 Fiscal Management

References:

Education Code Section 84040(c);
Title 5 Section 58311;
ACCJC Accreditation Standard III.D.9;
2 Code of Federal Regulations Parts 200.302 subdivision (b)(6)-(7), 200.305, and
200.400 et seq.

Note: This procedure is **legally required**.

The District Chancellor, Chief Financial Officer, and Internal Auditor are delegated the authority to implement the procedures required to properly administer technical duties relative to fiscal responsibility formerly performed by the County Superintendent.

Income

All money received by the District, regardless of the source, will be deposited according to Education Code and County requirements. (Education Code Sections 41001-41002)

The Chief Financial Officer will establish a procedure for clearly identifying all sources of income. Such delineation with amounts received will be shown on the budget and all income financial reports.

All money received by and/or collected by any member College or its auxiliary organizations for any purpose whatsoever must be deposited with the College's Business Services Office.

All income received for activities and events will be deposited in the same funding sources as the expenses for such activities and events.

The administration is authorized to prepare and submit federal, state, local governmental and/or local private foundation grant applications that further the Kern Community College District's strategic mission.

Budget Limitations

The Business Manager at each College controls the budget for his/her respective campus and reviews the monthly budget/expenditure reports. Each department receives a copy of the appropriate budget/expenditure report for information purposes. The Chief Financial Officer, and the Director, Accounting Services, shall review the District's financial statement for budget control on a monthly basis prior to submission to the Board of Trustees for information at regularly scheduled Board meetings. The financial statements are prepared by major object code levels. The budget/expenditure reports by department, object code sequence, or funded projects option contain individual account numbers.

Guidelines for Processing and Maintaining Revolving Funds at the Colleges

1. Funds will be maintained in a regular checking account by the College Business Office. The checking account will be in the name of the College, will have a requirement of at least two signatories on a check, and a check limit of \$2,500.00. Purchases are restricted to goods and services required for the operation of the College and the accomplishment of the College mission.
2. Reimbursements from the revolving fund will require a paper requisition with the appropriate approval and a vendor receipt. There will be no exceptions to the vendor receipt requirement.
3. A check may be issued for advance payment if the following conditions are met:
 - documentation indicating the amount and the requirement for advance payment is made available and,
 - a paper requisition is prepared with the appropriate approvals.
4. Funds initially will be accounted for through the establishment of a separate unit of accounting in the software program currently used for the travel funds.
5. Funds will be subject to spot audits, and documentation must be available to support all checks issued against the account and not yet reimbursed by the District.
6. Revolving funds will be reimbursed by the District based on direct pay entry to be accomplished in the Business Office according to the following:
 - The College Business Office to enter the direct pay data, supported by documentation.
 - The support documentation will include a purchase request and a vendor invoice.
 - The purchase request reflecting the appropriate approvals and the invoice stamped "revolving fund reimbursement" will be forwarded to the Learning Services Center after entry in the system as a direct pay.
 - A copy of the purchase request will be maintained at the campus with the annotation that it has been posted and forwarded to the Learning Services Center.
 - The Learning Services Center will verify the receipt of the documentation, approve the direct pay; reimbursement checks will be issued on the 15th and 30th of the month without further action.

Also see BP/AP 3300 titled Public Records, BP/AP 3310 titled Records Retention and Destruction, AP 6305 titled Reserves, AP 6310 titled Accounting, and AP 6315 titled Warrants.

The District is committed to principles of sound fiscal management and to provide for responsible stewardship of available resources. The District adheres to commonly accepted accounting standards as criteria for fiscal management regulations.

In order to ensure adherence to these principles and standards, the Chief Financial Officer will:

Provide for responsible stewardship of available resources.

- Provide for safeguarding and managing District assets to ensure ongoing effective operations; maintenance of adequate cash reserves; implementation and maintenance of effective internal controls; determination of sources of revenues prior to making short-term and long-term commitments; establishment of a plan for the repair and replacement of equipment and facilities.
- Provide for an organizational structure that incorporates a clear delineation of fiscal responsibilities and staff accountability.
- Provide that appropriate administrators keep the Board current on the fiscal condition of the District as an integral part of policy and decision-making.
- Provide for development and communication of fiscal policies, objectives and constraints to the board, staff and students.
- Provide for an adequate management information system that gives timely, accurate and reliable fiscal information for planning, decision making and budgetary control.
- Provide for appropriate fiscal policies and procedures and adequate controls to ensure that established fiscal objectives are met.
- Provide a process to evaluate significant changes in the fiscal environment and make necessary, timely, financial and educational adjustments.
- Provide both short term and long-term goals and objectives, and broad-based input coordinated with District educational planning.