

BUSINESS SERVICES

FINANCIAL RECORDS/ACCOUNTING

FISCAL INDEPENDENCE

PROCESSING PROCEDURES

The following processing procedures shall be in effect under fiscal independence.

A. Budget Control

Prior to authorization of expenditure all requisitions will be reviewed in the accounting office for verification of account codes and budgetary restraints.

B. Warrant Control

Warrants are to be stored in a secure area. An accurate log is to be maintained of all warrants.

Annually, a resolution is submitted to the Board of Education to authorize certain positions to sign checks and included in this resolution is the Director I, Business Services. Business Services has multiple Director I, Business Services positions, overseeing different functional areas such as Accounting, Payroll, Purchasing, and Transportation. To ensure proper segregation of duties, only the Director I, Business Services overseeing the functional area Accounting, has the authority to sign checks. Those holding the position of Director I, Business Services overseeing other functional areas do not have the authority to sign checks.

C. Signature Plate Security and Control

The signature plate of the Superintendent and Disbursing Officer will be under the sole control of the Disbursing Officer.

D. Garnishments

The administration of these legal orders will vary according to the type of initiating agency:

1. Some orders are one-time only and must be renewed prior to each payday.
2. Some expire in 100 days and must be renewed thereafter if monies are still owing.
3. Some are indefinite until terminated, paid or amended by court order (i.e., child support).

4. Most orders include instructions for notification of employee of amounts to be withheld, as well as formulas for computing the deduction amount based on earnings, exemptions, minimums, etc. These computations are sometimes required of the employee on the forms provided.
5. District Payroll Department will receive all notices of garnishment or lien against employees and will implement the necessary payroll deductions in accordance with the specific instructions provided with each type of notice. The administration of these legal orders will vary according to the type of initiating agency.
6. Using deduction codes already set into the district computer system, payroll deduction warrants will be created each month payable to various agencies such as the District Attorney (Family Support), Sheriff, Internal Revenue Service, etc.

E. Stop Notices, Levies, Liens, Assignments

When a subcontractor is seeking a lien against general contractor, preliminary notice of lien shall be filed by subcontractor with the district within 20 days after first furnishing material or labor.

If the subcontractor files a Stop Notice before district's final 10% payment, and has complied with the above preliminary notice, the district will notify contractor of such notice and hold payment until material release and waiver of lien is obtained.

When a formal levy is filed against one of district's vendors by Internal Revenue Service, court order, etc., the district claims department will administer such levy by complying with the specific instructions contained therein. This will entail withholding payment from vendor, and remitting the amount required to be withheld to the levying agency with a copy of the transaction going to vendor. If there is no time limit specified in the levy, a "release of levy" is required before district can resume payments to vendor.

F. Lost and Forged Warrant Investigations

If the original warrant is not available due to being lost, destroyed, or stolen, the district will obtain from the vendor/payee an "Affidavit to Obtain Duplicate of Lost or Destroyed Warrant." If the missing warrant has been cashed with a forged signature, there is no "Request for Cancellation." The affidavit above, augmented with a statement in the vendor's handwriting stating, "Under penalty of perjury, the signature on the warrant is not my signature," is all that is required.

G. Duplicate Warrant Issuance

Before a duplicate or replacement warrant is issued, disposition of the original warrant must be processed as follows:

If the original warrant is still available, it will be sent with a completed form “Request for Cancellation of Warrant” to the County Auditor-Controller and to district accounting. This form specifies the district, fund, payee, warrant number, amount, account number, reason for cancellation, and signature of the Controller. This provision is also applicable to outlawed warrant issuance.

Upon completion of the appropriate disposition of the original warrant, per above, a replacement warrant can be prepared using the usual issuance process.

Legal Reference: Education Code 42650

Revised: February 7, 2023 (3/1/88)