


<b>Bridges Charter School</b> 	<b>Board Policy</b>  <b>Management of District Assets / Accounts</b>	
<b>Policy Number:</b>  <b>BP 3400</b>	<b>Adopted:</b>  <b>10/17/11</b>	<b>Revised:</b>

Bridges Board Members recognize their fiduciary responsibility to effectively manage and safeguard the school’s assets and resources in order to help achieve the school’s goals for student learning. The Executive Director or designee shall establish and maintain an accurate, efficient financial management system that enhances the school’s ability to meet its fiscal obligations, produces reliable financial reports, and complies with laws, regulations, policies, and procedures. He/she shall ensure that the school’s accounting system provides ongoing internal controls and meets generally accepted accounting standards.

#### Capital Assets

\*\*\*Note: Statement #34 from the Governmental Accounting standards Board (GASB), the national group responsible for establishing accounting and financial reporting standards for state and local governments requires that districts determine an appropriate capitalization threshold and identify and evaluate capital assets. The CDE recommends, for most districts, a capitalization threshold that includes a unit acquisition cost criterion of at least \$5,000, although a lower threshold may be necessary for small districts and higher threshold for larger districts. The following optional paragraph establishes a \$5,000 capitalization threshold consistent with the CDE’s recommendation. The district should revise the following paragraph if it has established a different threshold. \*\*\*

The Executive Director or designee shall develop a system to accurately identify and value district assets in order to help ensure financial accountability and to minimize the risk of loss or misuse. District/school assets with a useful life of more than one year and an initial acquisition cost of \$5,000 or more shall be considered capital assets. The Executive Director or designee shall determine the estimated useful life of each capital asset and shall calculate and report the estimated loss of value or depreciation during each accounting period for all capital assets.

#### Internal Controls / Fraud

\*\*\*Note: Internal controls are defined as safeguards that are in place to provide assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulation. Internal controls are checks and balances to help prevent fraud, waste, and abuse. \*\*\*

\*\*\*Note: The following section contains recommendations by auditors of internal control policies and procedures and should be modified to reflect district practice. \*\*\*

The Board expects Board members, employees, consultants, vendors, contractors and other parties maintain a business relationship with the district to act with integrity and due diligence in dealings involving the district's assets and fiscal resources.

The Executive Director or designee shall develop internal controls which aide in the prevention and detection of fraud, financial impropriety or irregularity within the district. These internal controls may include, but are not limited to, segregating employee duties relating to authorization, custody of assets, and recording or reporting of transactions, providing detailed, written job descriptions explaining the segregation of functions; adopting an integrated financial system; conducting background checks on business office employees; and requiring continuous in-service training for business office staff on the importance of fraud prevention.

All employees shall be alert for any indication of fraud, financial impropriety, or irregularity within their area of responsibility. Any employee who suspects fraud, impropriety, or irregularity shall immediately report those suspicions to his/her immediate supervisor and/or the Executive Director. In addition, the Executive Director shall establish a method for employees and outside person to anonymously report any suspected instances of fraud, impropriety, or irregularity.

The Executive Director shall have primary responsibility for any necessary investigations of suspected fraud, impropriety, or irregularity, in coordination with legal counsel, the school's auditors, law enforcement agencies, or other governmental entities, as appropriate.

The Executive Director shall provide regular reports to the Board on the status of the school's internal control procedures and recommend any necessary revisions to related Board policies or administrative regulations.

Legal Reference:

Education Code

1500-14508 Financial and compliance audits

41010-41023 Accounting regulations, budget controls and audits

42600-42604 Control of expenditures