

3
4 **BUDGET MANAGEMENT**
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7 **A. Budget Calendar**
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9 Each January the Board will adopt a budget development calendar that identifies activities
10 and sets dates for each step in the budget development process.
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12 **B. Budget Directives**
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14 Each February the Board will give direction for budget development to include:
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- 16 1. Reaffirmation or change in mission;
- 17 2. Resource allocation (set level of Reserve for Contingency, Workers' Compensation
18 Reserve, any special project reserve, etc.);
- 19 3. Determination of the amount of resources estimated to be available for General
20 Fund expenditure with potential increases or decreases during the budget
21 preparation period;
- 22 4. Preliminary establishment of base budget for the District and each site.
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27 **C. Budget Preparation**
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- 29 1. Prior to March 1 information will be provided to Responsibility Center Managers
30 that will include the status of current expenditures, state and county estimates of
31 revenues, site "base budget" allocations, and targets for increases or decreases.
32
- 33 2. Each college and the central services offices will prepare a site budget through the
34 Responsibility Center Managers using the information provided. Each President
35 may provide additional directions or forms for site budget development to
36 complement these general procedures.
37
- 38 3. Each college will work with the Chief Business Officer in analyzing class offerings
39 as they apply to the development of both revenue and expenditure plans.
40
- 41 4. The aggregate site budget shall be submitted to the Chief Business Officer in the
42 prescribed format. Each President will certify that the site budget has met the
43 Board-approved budget development guidelines. All budget amounts will be
44 rounded to the nearest dollar.
45

46 **D. Budget Consolidation**
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48 The Controller's Office will:
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- 50 1. Check forms for compliance with instructions;
- 51 2. Check mathematical accuracy;
- 52 3. Ensure that the aggregate of the budgets submitted is within the site allocation;
53 and
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57 4. Enter the data into the computer and provide each site a copy of the budget for
58 review.
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60 **E. Budget Presentation and Adoption**
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62 1. Preliminary Budget
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64 a. No later than the May Board meeting the Chief Business Officer will
65 present the Preliminary Budget to the Board. No formal action is required
66 by the Board on the Preliminary Budget.
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68 b. Between the time that the Preliminary Budget is developed and the Final
69 Budget is adopted, changes to the budget will be made as additional
70 information is received from the state based on the state budget adoption
71 process.
72

73 2. Tentative Budget
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75 No later than July 1 the Board will adopt a Tentative Budget. This budget will
76 reflect changes made to the Preliminary Budget.
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78 3. Final Budget
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80 Prior to the state-prescribed date, the Board will adopt a final budget for the District
81 that reflects changes made to the Tentative Budget and provides the operational
82 budget base for the District for the fiscal year of adoption.
83

84 **F. Budget Control**
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86 It is the responsibility of each Responsibility Center Manager to control the budget(s) within
87 his/her assignment. The Controller's Office will provide a monthly budget report and
88 assistance in budget analysis and management as required.
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98 APPROVED: 6/9/94

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4 **BUDGET PREPARATION**
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6 Each year, the Chancellor shall present to the Board a budget, prepared in accordance with Title
7 5 and the California Community Colleges Budget and Accounting Manual. The schedule for
8 presentation and review of budget proposals shall comply with state law and regulations, and
9 provide adequate time for Board study.

10
11 Budget development shall meet the following criteria:

- 12 • The annual budget shall support the District's master and educational plans.
- 13 • Assumptions upon which the budget is based are presented to the Board for review.
- 14 • A schedule is provided to the Board by January of each year that includes dates for
15 presentation of the tentative budget, required public hearing(s), Board study session(s),
16 and approval of the final budget. At the public hearings, interested persons may appear
17 and address the Board regarding the proposed budget or any item in the proposed
18 budget.
- 19 • Unrestricted general reserves shall be no less than 5%.
- 20 • Changes in the assumptions upon which the budget was based shall be reported to the
21 Board in a timely manner.
- 22 • Budget projections address long-term goals and commitments.

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41 Reference:
42 Education Code Section 70902(b)(5);
43 Title 5, 58300 et seq

44
45 APPROVED: 9/9/04

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4 **BUDGET MANAGEMENT**
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6 Title 5 requires that budget management conforms to the following minimum standards:

- 7 • Total amounts budgeted as the proposed expenditure for each major classification of
8 expenditures shall be the maximum expended for that classification for the school year,
9 except as specifically authorized by the Board.
- 10 • Transfers may be made from the reserve for contingencies to any expenditure
11 classification by written resolution of the Board, and must be approved by a two-thirds
12 vote of the members of the Board.
- 13 • Transfers may be made between expenditure classifications by written resolution of the
14 Board, and may be approved by a majority of the members of the Board.
- 15 • Excess funds must be added to the general reserve of the District, and are not available
16 for appropriation except by resolution of the Board setting forth the need according to
17 major classification.

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28 **References:**
29 Title 5, Sections 58305, 58307, 58308

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31 **ADOPTED: 9/9/04**

3
4 **BUDGET MANAGEMENT**
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6 The budget shall be managed in accordance with Title 5 and the CCC Budget and Accounting
7 Manual. Budget revisions shall be made only in accordance with these policies and as provided
8 by law.

9 Revenues accruing to the District in excess of amounts budgeted shall be added to the District's
10 reserve for contingencies. They are available for appropriation only upon a resolution of the
11 Board that sets forth the need according to major budget classifications in accordance with
12 applicable law.

13 Board approval is required for changes between major expenditure classifications. Transfers from
14 the reserve for contingencies to any expenditure classification must be approved by a two-thirds
15 vote of the members of the Board. Transfers between expenditure classifications must be
16 approved by a majority vote of the members of the Board.

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44 Reference:
45 Title 5 Sections 58307, 58308.

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47 APPROVED: 9/9/04

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4 FISCAL MANAGEMENT

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6 GENERAL ACCOUNTING

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8 **A. Functions**

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10 The Accounting Office, under the direction of the Chief Business Officer and Fiscal
11 Services Supervisor shall provide the following functions:

- 12
13 1. Central accounting functions for all District funds.
- 14
15 2. Preparation of documents for transmittal to the County Treasurer's office for payroll
16 and commercial warrants.
- 17
18 3. Preparation of payroll reports.
- 19
20 4. Preparation of revolving cash checks.
- 21
22 5. Processing of payments to vendors.
- 23
24 6. Disbursement of scholarship, financial aid and loan funds.
- 25
26 7. Accounting services for sponsored programs, student financial aid, auxiliary
27 enterprises, and student body funds.
- 28
29 8. Maintenance of accounting data on the District's data processing system.
- 30
31 9. Preparation of the District's financial reports.

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33 **B. Internal Controls**

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35 To provide adequate internal controls, it is necessary for certain procedures to be followed
36 at the operating level to prevent errors from occurring. The work of an employee is verified
37 by the work of another, each working separately and independently. One employee should
38 not have control of a complete financial transaction that includes authorizing the
39 transaction, receiving, disbursing, recording and/or posting the transaction. Instead,
40 different employees should participate at various stages in the transaction so that each will
41 arrive at the same result independently and, without unnecessary duplication of work, verify
42 the accuracy of the work of others. Such a division of duties provides a procedure whereby
43 errors of omission or commission, whether intentional or unintentional will be minimized.

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46 ACCOUNTS RECEIVABLE

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48 **A. Types of Accounts Receivable:**

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50 1. Receivables from students
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52 2. Sponsored third party receivables
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54 3. Receivables from other District funds
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56 4. Employee receivables

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B. Controls

1. Access to accounts receivable ledger is controlled by a security code.
2. Each entry to the accounts receivable ledger file is supported by documentary evidence.
3. All invoices are pre-numbered and all numbers are accounted for.
4. Subsidiary ledgers are balanced monthly.
5. Postings are made by someone other than those having access to incoming receipts.
6. Statements are mailed in a timely manner by someone other than the bookkeeper or cashier.
7. All non-cash credits such as credit memos, allowances, or bad debts are properly authorized.
8. Holds are placed on student records for students who have a financial obligation to the District.
9. An SBCCD invoice will be prepared for all transactions where an obligation to the District is incurred.
10. A copy of the invoice is kept on file in the Accounting Office in the outstanding invoices file until the remittance is received.
11. All accounts receivable remittances will be sent to the Campus Business Office on campus or to the Accounting Office in the District Office.
12. The Accounting Office must be notified of any collection so that the invoice can be removed from the "outstanding" file.
13. The collection of cash receivables should be handled as an ordinary cash transaction according to cash receipting procedures.

C. Student Loans

1. All student loan transactions will be accounted for through subsidiary ledgers.
2. Billing functions should be separated from collection functions and general ledger postings.
3. Upon receipt of a duly authorized promissory note, a loan receivable record will be initiated by the Accounting Office/Financial Aid Section. The file of these records becomes the subsidiary ledger.
4. The record must contain the student's social security number, loan number, address, telephone number, loan amount, interest rate, payments received, and current balance due.

- 111 5. Upon receipt of payment, a cash receipt will be prepared. A copy of the payment
112 will be sent to the Accounting Office/Financial Aid Section for posting to the
113 subsidiary ledger.
114
115 6. The receipt will be posted to the general ledger by the Financial Aid Accountant.
116 The subsidiary balance will be reconciled to the general ledger balance on a
117 monthly basis.
118
119 7. The Student file and general ledger may be posted simultaneously, but a District
120 receipt should be prepared as a secondary source document.
121

122 **D. Grant and Sponsored Program Accounting**

123
124 In addition to the District procedures listed here, state and federal grants require special
125 accounting procedures. General directions are provided in the board policy on Grants and
126 Sponsored Programs. Recipients of grant awards are also cautioned to study specific
127 requirements of the grant that may vary from traditional procedures.
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130 **CASH DISBURSEMENT**

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132 **A. Disbursement Procedures**

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134 1. Disbursements must be properly authorized and supported by adequate
135 documentation.
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137 2. All disbursements shall be made by check.
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139 3. All checks shall be pre-numbered.
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141 4. All disbursements shall be substantiated by supporting documents including
142 evidence of purchase, receipt, and approval.
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144 5. All supporting documents shall be canceled in such a manner as to preclude their
145 reuse.
146
147 6. Bulk check stock shall be adequately controlled and accounted for.
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149 7. Daily use check stock shall be issued to the check-preparer on an adequate
150 transfer/control document.
151
152 8. There shall be adequate separation of duties to reduce the risk of collusion and
153 fraud.
154
155 9. The drawing of a warrant to "cash" or "bearer" is prohibited.
156
157 10. Electronic signature plates shall be secured and issued only to authorized
158 individuals.
159

160 **B. Documentation**

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162 Documentation shall include:

- 163
164 1. A purchase order authorizing the commitment of funds by an appropriate approving
165 authority.
166

- 167 2. An original invoice.
168
169 3. An original receiving report with date and signature of an employee acknowledging
170 receipt of goods or services.
171

172 **C. Authorization**

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174 All checks must bear a Board authorized signature.
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176 **D. Controls**

- 177
178 1. All invoices and/or supporting documents will be marked with the check number in
179 ink to prevent their reuse.
180
181 2. Checks will be recorded in the check registers as of the date written and the
182 register closed promptly at the end of each month.
183
184 3. Unused checks shall be adequately controlled through sign-out logs, listing where
185 bulk stock is located and by warrant number.
186
187 4. Voided checks shall be mutilated or spoiled to prevent reuse.
188
189 5. Checks shall be signed only after comparing them with authorizations and
190 supporting documents.
191

192 **E. Requirements for County Controlled Funds**

- 193
194 1. Payments shall be released electronically through the County Superintendent's
195 system only by authorized agents.
196
197 2. If a payment batch is chosen for audit, one copy of the District Prelist with an
198 original invoice and other documentation required above shall be submitted to
199 School Claims in one package.
200
201 3. Upon receipt of the warrant and warrant listing from the County Superintendent's
202 office, the accounts payable clerk shall reconcile the County Postlist to the copy of
203 the District Prelist.
204
205 4. An accounts payable clerk other than the payment batch preparer shall mail the
206 warrant to the appropriate vendor for payment.
207

208 **F. Records**

- 209
210 1. All original invoices and supporting documents shall be stamped to prevent
211 duplicate payments.
212
213 2. All voucher documents shall be attached to the documentation and filed in the
214 vendor file in alphabetic order.
215

216
217 **CASH RECEIPTS**

218
219 **A. General Provisions**

- 220
221 1. Persons who receive cash shall have no access to general ledger. All cash
222 received must be recorded by cash register receipt, pre-numbered cash receipt, or

- 223 terminal receipt. These documents provide the accounting controls and are
224 prepared by the employee first receiving checks or cash. An independent audit
225 trail must be maintained for all cash receipts. The receipt must be given or mailed
226 to the client.
227
- 228 2. All cash received must be adequately safeguarded and promptly deposited. All
229 cash shall be deposited in the Campus Business Office within 24 hours of receipt.
230
 - 231 3. All checks must be made or endorsed payable to the San Bernardino Community
232 College District, San Bernardino Valley College, or Crafton Hills College.
233
 - 234 4. All checks shall be stamped "For Deposit Only" upon receipt with the appropriate
235 endorsement stamp.
236
 - 237 5. Payments received in the mail shall be logged and routed to a party who can write
238 receipts and make deposits.
239
 - 240 6. Cash registers/drawers/terminals shall be cleared daily even if no receipts are
241 recorded. Tape totals, including those with zero receipts, shall be signed by the
242 individual responsible for the cash drawer and submitted to the Campus Business
243 Office.
244
 - 245 7. Cash receipts shall be reconciled against cash register tapes, log-outs and/or
246 handwritten receipts and signed by the individual responsible for the cash drawer.
247
 - 248 8. Cash, checks, credit card slips and deposit slips from one register shall not be
249 commingled with receipts from another register. Cash, checks, credit card slips
250 and deposit slips from one receipting date shall not be commingled with receipts
251 from another date.
252

253 **B. Deposit of Cash Receipts**
254

- 255 1. All cash receipts shall be received through the Central Cashier in the Campus
256 Business Office except those received authorized by the Chief Business Officer to
257 receive cash. Cash receipts received in locations other than the Campus Business
258 Office shall be deposited intact in the Campus Business Office as prescribed
259 above. When the deposit is made in the Campus Business Office, the deposit
260 must be verified in the presence of the depositor or the depositor's supervisor.
261
- 262 2. Cash inadvertently received by offices not authorized to accept cash shall be
263 routed to the Campus Business Office for deposit.
264
- 265 3. Deposits of money into any account other than an authorized Campus Business
266 Office account are prohibited. Violation of this policy may result in disciplinary
267 action.
268

269 **C. Pre-numbered Receipts**
270

271 Any area/department that receives cash and does not have a cash register shall use three-
272 part pre-numbered receipts provided by the Chief Business Officer. Part one goes to the
273 individual/group who makes the payment, part two goes to the Campus Business Office
274 with the cash deposit, and part three stays with the office which accepts the cash.
275

276 **D. Registration Fees**
277

- 278 1. During periods of registration terminal receipts are required except in those
279 instances where source identification is necessary and/or where the office
280 receiving the fees does not have access to a computer terminal (off-campus, etc.).
281
282 2. The operator log-out report will be used as the primary source document. The
283 operator's cash drawer should reconcile to the operator log-out report.
284
285 3. Receipts shall be conveyed to the Campus Business Office daily. The Campus
286 Business Office shall prepare a deposit ticket for each day's deposit.
287
288 4. Admissions and Records receipting clerks shall reconcile the drawer(s) against the
289 daily log-outs, sign the log-outs verifying the reconciliation, and submit receipts and
290 signed log-outs to the Director of Admissions and Records, Registrar or designee.
291
292 5. The Director of Admissions and Records, Registrar, or designee shall verify the
293 receipts and log-outs, prepare and sign the reconciliation form attesting to its
294 accuracy, and prepare the daily receipts for transmission to the Campus Business
295 Office.
296
297 6. The Director of Admissions and Records, Registrar, or designee, with college
298 police escort, shall transmit receipts daily to the Campus Business Office.
299
300 (a) When hand-carries are impractical, the receipts are to be transported by
301 the campus via locked bank bag to the Campus Business Office.
302
303 (b) The locked bank bag should be placed in the locked trunk of the police
304 vehicle for transport. Receipts, when transported in this manner, must
305 have been verified by two independent sources prior to giving them to the
306 college police for transport.
307
308 (c) The college police should receive a dated receipt for the locked bank bag
309 from the Campus Business Office.
310
311 (d) The Campus Business Office shall verify the daily receipts, provide a
312 receipt to the original source of receipts, and prepare a deposit slip by the
313 close of the next business day following receipting. Any exception
314 requires notification of the Chief Business Officer or the Fiscal Services
315 Supervisor.
316

PETTY CASH

A. Authorization

322 A petty cash fund may be approved by the Chief Business Officer to pay for small
323 emergency purchases of supplies or services. The Chief Business Officer will review each
324 request for the establishment of a petty cash fund and set the dollar amount of the fund if it
325 is approved. Approval for expenditures from the fund must be granted by the appropriate
326 Responsibility Center Manager or the fund custodian.
327

B. Establishment of a Petty Cash Fund

330 A Responsibility Center Manager may request a petty cash fund from the Chief Business
331 Officer. The request must identify the fund custodian and a requested dollar amount.
332 Upon approval, a check will be forwarded to the requesting party payable to the designated
333 fund custodian.

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C. Petty Cash Custodian's Responsibility

1. The petty cash custodian will sign for and assume responsibility for the safeguarding and proper utilization of the petty cash fund. The petty cash custodian is the only individual who may make cash transactions. If an authorized change in custodian occurs, the status of the fund should be verified before any transactions are completed by the new custodian. A status memo signed by both the outgoing and incoming custodians must be sent to the Chief Business Officer.
2. The petty cash fund will be maintained at the approved amount, and will at times be kept in balance with cash, petty cash vouchers, and receipts.
3. A copy of the Petty Cash Reconciliation Form will be retained by the custodian for a minimum of two years.
4. All cash, sales receipts, and other related documents shall be kept in a locked metal box. When unattended, the box shall be placed in a safe, desk or cabinet that is also to be kept locked.

D. Purchase Authorizations and Procedures

1. Single disbursements from petty cash may not exceed \$25.00.
2. The petty cash custodian must approve all expenditures from the fund. The custodian must sign a Petty Cash Disbursement Voucher for each expenditure.
3. The purchaser may request a cash advance or be reimbursed for authorized purchases. If a cash advance is made, the purchaser must provide a sales receipt and change, if any, to the custodian and sign a petty cash voucher indicating reimbursement.
4. A sales receipt must be kept with each Petty Cash Disbursement Voucher.

E. Replenishment Procedure

1. The petty cash fund will be replenished when substantially depleted. On June 30 of each fiscal year the account must be fully replenished or closed in order for expenditures to be recorded in the proper fiscal year.
2. A request for replenishment will be made on a purchase requisition signed by the Responsibility Center Manager.
3. An itemized list of expenditures is to be recorded on the Petty Cash Reconciliation Form. A separate Petty Cash Disbursement Voucher with a sales receipt attached shall be presented for each expenditure.
4. Reimbursements of petty cash are to be the only deposits into the fund.

F. Accounting/Audit

1. Any shortage must be adequately documented and explained by the fund custodian. Replenishment requests for shortages in excess of \$5 must be approved by the Chief Business Officer. Overages must be deposited with the revolving cash accountant.

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2. The Chief Business Officer or designee or designated accounting personnel will periodically make unannounced audit reviews of the petty cash fund. The independent auditors will also make test counts and review the petty cash fund. The fund custodian and the responsible manager should ensure the fund is balanced and available for audit at any time.
3. The internal control checklist is to be completed by each petty cash fund custodian at least once a year. The Chief Business Officer or designee will periodically review the petty cash operation and determine if the operation of the fund is in compliance with the checklist.

CHANGE FUNDS

A. Change Funds

A change fund may be approved by the Chief Business Officer for the sole purpose of making change in the conduct of business. The funds shall not be used for cash advances, purchases, reimbursements, or other activities appropriate to a petty cash fund.

B. Establishment of a Change Fund

A Responsibility Center Manager may request a change fund from the Chief Business Officer. The request must identify the fund custodian and a requested dollar amount. Upon approval a check will be forwarded to the requesting party payable to the designated fund custodian.

C. Change Fund Custodian's Responsibility

The custodian will sign a receipt for the change fund and assume responsibility for its security and proper use. The Chief Business Officer must be notified in writing if there is a change in the custodianship of a change fund. The change fund will be maintained at the approved amount and will at all times be kept in balance.

D. Accounting/Audit

The Accounting Department will retain records and documentation for all change funds. Change funds must be available for audit at any time.

REVOLVING CASH

- ### **A.**
- The revolving cash fund shall be used only when goods, services, or payroll are required prior to the date available within the normal purchasing process. Disbursements shall be supported by proper documentation and authorization as prescribed in the Cash Disbursement Policy. There shall be adequate separation of duties to reduce the risk of collusion and fraud.

B. Procedures

1. The fund shall be managed so that accountability for the fund, including proper identification of fund resources, can be readily established.
2. Cash funds are maintained on an imprest basis with the same standards of developing documentary evidence as for other disbursements.

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3. Disbursements from the fund shall be limited to transactions that cannot be paid through the regular disbursement process in a timely manner.
4. The Accounting Department will review, and the Chief Business Officer must approve, requests for payment through the Revolving Cash Fund.
5. Employees shall not authorize revolving fund checks payable to cash or to themselves.
6. Check stock shall be kept in a secure place.
7. The Revolving Cash Fund shall be replenished in a timely manner through the normal purchasing procedure.
8. Daily balances will be maintained on the check stub; the fund shall be reconciled monthly.

ADOPTED: 9/9/04

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4 **FISCAL MANAGEMENT**
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6 The Chancellor shall establish procedures to assure that the District's fiscal management is in
7 accordance with the principles contained in Title 5, section 58311, including:

- 8 • Adequate internal controls exist.
- 9 • Fiscal objectives, procedures, and constraints are communicated to the Board and
10 employees.
- 11 • Adjustments to the budget are made in a timely manner, when necessary.
- 12 • The management information system provides timely, accurate, and reliable fiscal
13 information.
- 14 • Responsibility and accountability for fiscal management are clearly delineated.

15 The books and records of the District shall be maintained pursuant to the California Community
16 Colleges Budget and Accounting Manual.

17 As required by law, the Board shall be presented with a quarterly report showing the financial and
18 budgetary conditions of the District.

19 As required by the Budget and Accounting Manual, expenditures shall be recognized in the
20 accounting period in which the liability is incurred, and shall be limited to the amount budgeted for
21 each major classification of accounts and to the total amount of the budget for each fund.
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40 References:
41 Education Code Section 84040(c);
42 Title 5 Section 58311
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44 APPROVED: 9/9/04

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4 **INVESTMENTS**

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6 **A. INTENT**

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8 It is the policy of the San Bernardino Community College District to invest public funds in
9 a manner providing the highest investment return with the maximum security while
10 meeting the daily cash flow demands of the district and conforming to all applicable
11 federal, California and local laws governing the investment of public funds.

12
13 **B. SCOPE**

14
15 This policy applies to all funds of the San Bernardino Community College District
16 accounted for in the Comprehensive Annual Financial Report including General, Special
17 Revenue, Capital Projects, Enterprise, Internal Service, and Trust funds.

- 18
19 1. All funds of the San Bernardino Community College District deposited with the San
20 Bernardino County Treasurer shall be invested in accordance with Government
21 Code Section 27000.5, in accordance with the investment policy developed
22 pursuant to Government Code Section 27133, and under the direction of San
23 Bernardino County's investment Advisory Committee.
24
25 2. Pursuant to Government Code 53646, all other funds of the San Bernardino
26 Community College District shall be invested pursuant to the following guidelines.

27
28 **C. PRUDENCE**

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30 Investments shall be made with judgment and care which persons of prudence, discretion
31 and intelligence exercise in management of their own affairs not for speculation, but for
32 investment, considering the probable safety of capital as well as the probable income to
33 be derived. The standard of prudence to be used by investment officials shall be the
34 "prudent person" standard and shall be applied in the context of managing an overall
35 portfolio. Investment officers acting in accordance with written procedures, and
36 investment policy and exercising due diligence shall be relieved of personal responsibility
37 of an individual security's credit risk or market price changes, provided deviations from
38 expectations are reported in a timely fashion and appropriate action is taken to control
39 adverse developments.

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41 **D. OBJECTIVE**

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43 The primary objectives of the San Bernardino Community College District investment
44 activities shall be:

45
46 1. SAFETY

47
48 Safety of principal shall be the foremost objective of the investment program.
49 Investments of the San Bernardino Community College District shall be undertaken
50 in a manner that seeks to ensure the preservation of capital in the overall portfolio.
51 To obtain this objective, diversification is required so that potential losses on
52 individual securities do not exceed income generated from the remainder of the
53 portfolio.

54
55 2. LIQUIDITY
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57 The San Bernardino Community College District's investment portfolio shall remain
58 sufficiently liquid to meet all operating requirements, which may reasonably be
59 anticipated.

60
61 **3. RETURN ON INVESTMENT**

62
63 The San Bernardino Community College District's investment portfolio shall be
64 structured with the objective of attaining a rate of return throughout budgetary and
65 economic cycles, commensurate with investment risk constraints and cash flow
66 characteristics of the portfolio.

67
68 **E. DELEGATION OF AUTHORITY**

69
70 The authority to invest funds not deposited with the County Treasurer is granted to the
71 Chancellor and Board of Trustees. Authority to manage the investment portfolio and
72 establish written procedures for the operation of the investment program consistent with
73 applicable law and the San Bernardino Community College District's Investment Policy
74 may be delegated at the discretion of the Chancellor.

75
76 **F. ETHICS AND CONFLICT OF INTEREST**

77
78 Officers and employees involved in the investment process shall refrain from personal
79 business activity that may conflict with proper execution of the investment program, or
80 which could impair their ability to make impartial investment decisions.

81
82 **G. AUTHORIZED AND SUITABLE INVESTMENTS**

83
84 Funds invested by the San Bernardino Community College District shall be in the
85 following instruments, under the parameters outlined in Government Code Sections
86 53635, 53601, and 53631.5:

- 87
88 Negotiable Certificates of Deposit
89 Money Market Funds
90 Collateralized Bank Deposits
91 Time Deposits
92 County Pooled Investment Funds

93
94 **H. PROHIBITED INVESTMENT**

95
96 Pursuant to Government Code Section 53601.6, funds of the San Bernardino Community
97 College District shall not be invested in any of the following instruments:

- 98
99 Inverse Floaters
100 Range Notes
101 Interest Only Strips
102 Any Security That Could Result in ZERO INTEREST ACCRUAL

103
104 **I. REPORTING**

105
106 The Chancellor shall, pursuant to Government code Section 53646, submit a quarterly
107 investment portfolio status report to the Board of Trustees. Said Report shall detail:

- 108
109 Investment types
110 Names of Issuers
111 Maturity Dates
112 Par and Dollar Amounts Invested in Each Security, Investment and Money

113 Weighted Average Maturity of Investments
114 Any Funds Being Managed by Contracted Parties
115 Market Value as of Date of Report and Source of Valuation
116 Description of Compliance with Investment Policy
117 Current Market Value of Funds Managed by a Contract Party
118

119 **J. POLICY ADOPTION**

120
121 The San Bernardino Community College District's investment policy shall be adopted
122 annually by resolution of the Board of Trustees. The policy shall be reviewed annually,
123 and the Board of Trustees must approve any modifications made hereto.
124

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133
134 ADOPTED: 1/10/02
135
136

3
4 INVESTMENTS

5
6 The Chancellor is responsible for ensuring that the funds of the District that are not required for
7 the immediate needs of the District are invested. Investments shall be in accordance with law,
8 including California Government Code Sections 53600, *et seq.*

9
10 Investments shall be made based on the following criteria:

- 11 • The preservation of principal shall be of primary importance.
- 12 • The investment program must remain sufficiently flexible to permit the District to meet all
13 operating requirements.
- 14 • Transactions should be avoided that might impair public confidence.

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43 Reference:
44 Government Code Section 53600 et seq.

45
46 APPROVED: 1/17/13
47 APPROVED: 1/16/14

3
4 PURCHASING

5
6 **GENERAL PURCHASING**

7
8 **A. Authority to Purchase**

9
10 The authority to contract for goods and/or services is vested in the Board of Trustees.
11 Authority to purchase supplies, materials, apparatus, equipment and services is annually
12 delegated by Board action to designated District officers. The purchase of goods and
13 services shall be made through the Purchasing Department following authorized
14 procedures in accordance with established policies and laws. Any purchase made by an
15 employee without proper authorization will be considered an obligation and liability of the
16 employee and not the San Bernardino Community College District.

17
18 **B. Conflict of Interest**

19
20 The District shall not purchase goods or services from any vendor or source in which a
21 requisitioner or an authorized purchasing agent or a member of the Board has any
22 proprietary interest. Any proposed exception must be reviewed by the Vice Chancellor
23 Fiscal Services and approved by the Board. Employees and Board members are
24 prohibited from accepting gratuities, in any form, the value of which could compromise their
25 objectivity in selecting vendors or awarding purchase contracts.

26
27 **C. General Purchasing Information**

28
29 1. Except for small purchases from petty cash, all purchases or commitments to buy
30 are made through the use of a purchase order. Purchase orders will be issued by
31 the Purchasing Department only upon receipt of a properly authorized purchase
32 requisition.

33
34 2. Specifications

35
36 Departments may submit their own specifications for supplies and/or equipment;
37 however, the Purchasing Department has the authority to question need, quantity,
38 quality, and materials requested and to make recommendations where the general
39 health and welfare or economy is in question. The Purchasing Department will
40 provide assistance in the development of specifications as requested.

41
42 3. Selection of Vendor

43
44 The Purchasing Department will accept recommendations from the requesting
45 department for potential vendors. Final vendor designation will be made by the
46 Purchasing Department.

47
48 4. Price Quotations

49
50 Any purchase of supplies or equipment with a unit cost in excess of \$6,000 or
51 contract for services in excess of \$6,000 requires price quotations from at least
52 three different vendors. Any requests for exception must be submitted in writing to
53 the Vice Chancellor, Fiscal Services for consideration. The Purchasing Office may
54 require price quotations for items regardless of the cost if it determines that such
55 quotes would be in the best interest of the District.

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5. Bid Requirements

Any purchase over \$15,000 for work to be done (services), or \$83,400 for equipment or supplies must go through the formal bid process. The Board of Governors of the California Community Colleges shall annually adjust the dollar amount required for bid to reflect the percentage change in the annual average of the Implicit Price Deflator for State and Local Government Purchase of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the prior fiscal year (Public Contract Code 20651). The annual adjustments shall be rounded to the nearest one hundred dollars (\$100). The Purchasing Department may require formal bids for items regardless of the cost if it determines that such bids would be in the best interest of the District. All vendors involved in a bid process shall be notified that Board action is required before materials are delivered or a project can begin.

6. Date of Delivery

Materials and services must be charged against and paid from appropriations within the fiscal year in which the material or service is actually received.

D. Purchase Requisitions

A purchase requisition is prepared by an individual or department to request the Purchasing Department to buy specific items. The requested information on the requisition provides guidance to the Purchasing Department as to the requester's preferences regarding vendor, specifications, etc. The Purchasing Department will review each purchase requisition to determine if the request meets established procedures, standards, and laws and will test the object, location, and program codes to determine the availability of funds.

E. Purchase Order

After a purchase requisition has been reviewed and approved, a purchase order is prepared which authorizes the vendor to deliver the supplies/equipment or provide the service requested. No vendor has authority to provide materials or services until a purchase order has been processed.

F. Emergencies

In the event of an emergency, authority to purchase may be obtained from the Purchasing Department and a purchase order can be issued by telephone. Such approval must be obtained from the Purchasing Department in advance of the purchase.

BID REQUIREMENTS AND PROCEDURES

A. Price Quotations

Any purchase of supplies or equipment with a unit cost in excess of \$6,000 or contract for services in excess of \$6,000 requires price quotations from at least three different vendors. Any requests for exception must be submitted in writing to the Vice Chancellor, Fiscal Services for consideration. The Purchasing Department may require price quotations for items regardless of cost if it determines that such quotes would be in the best interest of the District.

- 113 **B. Bid Requirements**
114
115 Any purchase over \$15,000 for work to be done (services) or \$83,400 for equipment or
116 supplies must go through the formal bid process. The Business Manager may require
117 formal bids for items regardless of the cost if it determines that such bids would be in the
118 best interest of the District.
119
- 120 **C. Approval**
121
122 All purchases requiring bid procedures require an "award of bid" by the Board. All vendors
123 involved in a bid process shall be notified that Board action is required before materials are
124 delivered or a project can begin.
125
- 126 **D. Purchase and Contract Specifications**
127
128 Bid documents or requests for price quotations must contain specifications and/or
129 drawings, if appropriate, which standardize the purchase and provide a basis for selection
130 of a vendor. The Purchasing Department can advise on the level of specificity required
131 based on the nature of the purchase. In general, specifications should be generic in nature
132 and not specify a particular brand, manufacturer or vendor. It may be necessary to involve
133 a consultant in the development and/or review of specifications. Some specifications may
134 require legal review. Development of specifications may require several weeks or months.
135
- 136 **E. Energy Efficiency Specifications**
137
138 Vendors must provide equipment and appliances that earn the ENERGY STAR and meet
139 ENERGY STAR specifications for energy efficiency where ratings exist. Complete product
140 specifications and updated lists of qualifying products may be found at
141 www.energystar.gov.
142
- 143 **F. Bid Documents**
144
145 Bid documents are prepared by the Business Manager in consultation with the individual
146 initiating the request. Bid documents contain a variety of standard provisions required by
147 law and are supplemented by specifications and special requirements. Bid documents are
148 made available to vendors through the Purchasing Department.
149
- 150 **G. Advertisement for Bids**
151
152 Advertisements for bids are prepared by the Business Manager to meet the legal bidding
153 requirements. Ads are placed in newspapers and through other sources that are designed
154 to reach the appropriate vendors. Ads must appear twice, once a week for two consecutive
155 weeks. Vendors are usually allowed three to four weeks to prepare their bids.
156
- 157 **H. Bid Opening**
158
159 A time and place of bid opening is stated in the bid document and the bid advertisement.
160 Bids are accepted in the Purchasing Department up to the exact time of the bid opening.
161 Bids received before the opening are kept unopened until the designated time. A public bid
162 opening is held during which all bids are opened and read aloud. Bids are a matter of
163 public record and the results are available in the Purchasing Department after the bid
164 opening. Bids are considered to be "responsive" if they meet the specifications as
165 published. The services of an outside consultant may be required to evaluate
166 responsiveness. Reference checks may be applied to any and all bids that are responsive
167 and competitive. A summary of the prices quoted is prepared for the Board.
168

- 169 **I. Bid Bonds/Guarantees**
170
171 Bid bonds or other bid guarantees may be required of all bidders and are kept on file until
172 the Board awards a contract. Bonds/guarantees are returned to all bidders after the award
173 of bid.
174
- 175 **J. Award of Bid**
176
177 A summary of the bids is prepared for the Board. Results of reference checks are
178 evaluated and a recommendation is made to the Board for award of bid. The award does
179 not automatically go to the lowest bidder and only the Board can award a bid. As a general
180 rule the bid is awarded to the lowest bidder unless reference information or other mitigating
181 circumstances suggest an alternate choice. Contracts are not signed until after the bid
182 award and no bidder should move to deliver supplies or equipment or start of project until
183 after the Board takes action. The Board has the right to reject all bids or waive any
184 irregularities. If that occurs, bidders will be notified in writing.
185
- 186 **K. Amendments**
187
- 188 1. Any changes to the bid document prior to the award of bid must be provided to all
189 prospective bidders in writing prior to the bid opening. If the change will require
190 substantial time for bidders to reconfigure their quotes, the bid opening may have
191 to be extended.
192
 - 193 2. Any change to specifications or terms and conditions of the bid after the opening
194 will require a change notice approved by the Board.
195

196 **PROCUREMENT CARD**

197 SECTION I – GENERAL

- 200 A. Purpose
- 201 B. Policy
- 202 C. Overview
- 203 D. Program Benefits
- 204 E. Program Administrator
- 205 F. Procurement Card Rejection

206 SECTION II - PROGRAM OVERVIEW

- 207 A. How to Obtain a Procurement Card
- 208 B. Opening of Accounts
- 209 C. Ordering Process
- 210 D. Proof Purchase Documentation
- 211 E. Closing of Accounts
- 212 F. Authorized/Prohibited Purchases and Practices

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- 214 A. General
- 215 B. Order and Receipt of Goods
- 216 C. Resolving Errors
- 217 D. Resolving Disputes
- 218 E. Credits and Returns
- 219 F. Card Cancellation

224 G. Lost or Stolen Card

225

226 SECTION IV - ACCOUNTING PROCESS

227

228 A. Purchase Requisition/Purchase Order - General

229 B. Purchase Requisition/Purchase Order - Travel

230 C. Recordkeeping and Documentation

231 D. Reconciliation and Approval Process

232

233 SECTION V – RESPONSIBILITIES

234

235 A. Cardholder Responsibilities

236 B. Responsibility Center Manager

237 C. Program Administrator

238 D. Accounts Payable Department

239 E. Card Provider

240

241 SECTION I – GENERAL

242

243 **A. Purpose**

244

245 The purpose of the District's Procurement Card Program is to establish a more efficient,
246 cost-effective method of purchasing and paying for small dollar transactions, and to establish
247 policies and guidelines related to appropriate use of the Procurement Card.

248

249 **B. Policy**

250

251 1. A Procurement Card Application form must be completed and approved (Appendix B).

252 2. All cardholders must sign and accept the terms and conditions as outlined on the

253 Procurement Card Program Cardholder Agreement (Appendix A).

254 3. All purchase transactions processed against the Procurement Card must be made by the
255 individual to whom the card is issued.

256 4. The Procurement Card can only be used for non-restricted (acceptable) commodities.

257 5. Documentation pertaining to all purchase transactions must be obtained and maintained on
258 file.

259 6. Split purchases to bypass the authorized limit(s) or to circumvent Purchasing Policies and
260 Procedures are prohibited.

261 7. Fraudulent use of the Procurement Card will result in corrective action in accordance with
262 the terms and conditions of the Procurement Card as outlined on the Cardholder
263 Agreement.

264

265 **C. Overview**

266

267 The Procurement Card Program streamlines the purchasing process, including the
268 requisitioning, procurement, receiving, and payment processes for low-dollar value
269 purchases from any vendor or supplier that accepts a VISA credit card.

270

271 This program enables the cardholder to purchase approved commodities directly from
272 vendors/suppliers.

273

274 The Procurement Card can be used for purchases of all non-restricted (acceptable)
275 commodities. All purchases of commodities, where approved "Prime Vendor" contracts are
276 in place, should be made from those contracted vendors/suppliers. Each Procurement Card
277 issued will contain the name of SAN BERNARDINO COMMUNITY COLLEGE DISTRICT as

278 the corporate buyer of products and services. THE PROCUREMENT CARD IS NOT TO BE
279 USED FOR PERSONAL TRANSACTIONS.

280

281 Each card is assigned credit and transaction limits when the Procurement Card Application
282 is completed and approved.

283 **D. Program Benefits**

284

- 285 1. Significant decrease of paperwork for requisitioning, purchasing and receiving activities.
- 286 2. Significant decrease in the volume of invoices and checks processed by Accounts Payable.
- 287 3. Enables automated reporting tools.
- 288 4. Empowers cardholders to make purchases directly from suppliers.

289

290 **E. Program Administrator**

291

292 The Business Manager is the Program Administrator for the Procurement Card program.

293

294 **F. Procurement Card Rejection**

295

296 When presenting the Procurement Card to vendors for payment for goods and the card is
297 rejected, the Cardholder must complete and submit a Procurement Card Rejection Form to
298 the Procurement Card Administrator to determine the reason(s) for rejection (Appendix E).
299 Procurement card rejection is normally due to:

300

- 301 • Incorrect vendor/supplier Merchant Category Code (MCC)
- 302 • An attempt to purchase restricted or unauthorized items
- 303 • An attempt to exceed card dollar limits.

304

305 **SECTION II - PROGRAM OVERVIEW**

306

307 The Procurement Card Program simplifies the purchasing/disbursement process by facilitating point-
308 of-sale procurement. Purchasing responsibility is delegated to the ordering department enabling an
309 authorized cardholder to place an order directly with a vendor/supplier.

310

311 When a purchase authorization is requested by a vendor/supplier at the point-of-sale, VISA validates
312 the transaction against pre-set limits established by the District in conjunction with department
313 administrators. All transactions are approved or declined instantaneously based on the following
314 Procurement Card authorization criteria:

315

- 316 1. Number of transactions allowed per day.
- 317 2. Number of transactions allowed per month.
- 318 3. Single purchase limit not to exceed \$500.00.
- 319 4. Spending limit per month.
- 320 5. Approved commodity codes.

321

322 The Business Manager is responsible for setting these limits. The authorization process occurs
323 through an electronic system that supports the Procurement Card Program under the agreement
324 with US Bank.

325

326 **A. How to Obtain a Procurement Card**

327

- 328 1. Complete a Procurement Card Application form (Appendix B).
- 329 2. Submit the Request for Procurement Card for approvals of officials listed on the form.
- 330 3. Submit the approved Request for Procurement Card to the Program Administrator for
- 331 processing.
- 332 4. Attend a Pre-Card Issue Training Session.
- 333 5. Application for Procurement Card is completed and transmitted to Card Provider by Program
- 334 Administrator.
- 335 6. Card Provider issues Procurement Card.

336
337 **B. Opening of Accounts**

- 339 1. The Chancellor, Presidents, Vice Chancellors, and Vice Presidents are responsible for
- 340 designating employees to receive the Procurement Card and must use the Procurement
- 341 Card Application form (Appendix B). All applications are subject to review and final approval
- 342 by the Business Manager. The approved application is submitted to Purchasing for
- 343 processing. Legitimate charges made on the Procurement Card are a District liability, not a
- 344 personal liability to the individual. Employees should ensure that Procurement Cards are
- 345 adequately safeguarded from loss or misuse.
- 346 2. There will be no credit reference check on the personal credit of the employee as a condition
- 347 for receiving the District Procurement Card, nor will the use of the Procurement Card have
- 348 any effect on the employee's personal credit rating.
- 349 3. Employees who have exhibited a history of not following Board Policy or/and Administrative
- 350 Regulations concerning Purchasing will not be approved to use the Procurement Card. An
- 351 example of such a history would include having three or more Audit Exception Memos on file
- 352 for the preceding 12 months.
- 353 4. Each employee approved to receive the Procurement Card must attend a user training
- 354 session. Training will be provided by the Purchasing Department. After completion of the
- 355 training, the cardholder will be required to complete and sign the Cardholder Agreement
- 356 (Appendix A).
- 357 5. US Bank will issue a Procurement Card to the employee when a Procurement Card
- 358 Application is submitted by the Program Administrator (Appendix B). Procurement Cards will
- 359 only be issued to permanent, full-time employees who are not on probationary status.

360
361 **C. Ordering Process**

362
363 The Procurement Card Program provides another option to existing purchasing procedures
364 regarding transactions for goods, commodities, supplies or repair parts valued at less than
365 \$500.00 (including all delivery, shipping, etc.) NO SINGLE PURCHASE IS TO EXCEED
366 \$500.00.

367
368 Purchases for restricted commodities and for purchases of \$500.00 or more should continue
369 to be processed in accordance with the established procurement/disbursement policies and
370 procedures.

371
372 Please be sure to follow these procedures when using the Procurement Card:

- 373
374 1. Identify if the purchase is appropriate for a Procurement Card transaction. Check
- 375 the list of restricted commodities.
- 376 2. Determine if your transaction total is \$500.00 or less. If not, the transaction must be
- 377 processed in accordance with established purchasing disbursement policies and
- 378 procedures.
- 379

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3. Contact the vendor/supplier and obtain the goods. Goods may be purchased either in person, by telephone, or internet. Purchases must be in conformance with District purchasing guidelines (i.e. reasonable, necessary, and for District business).
 4. When receiving a shipment, it is the responsibility of the cardholder to properly inspect the shipment for damage and to verify the shipment is complete. In case of returns, the cardholder is responsible for coordinating the return directly with the vendor/supplier and for contacting the Program Administrator with any unresolved issues.
 5. All packing slips must be retained as part of the purchase transaction documentation.

391 **D. Proof Purchase Documentation**

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1. The Procurement Card program facilitates point-of-sale purchases, giving authorized cardholders the ability to purchase specific goods directly from a vendor/supplier. The Procurement Card will eliminate the time and effort spent on processing multiple requisitions and other internal forms, filing purchase requisition copies, distributing, filing and the reconciling invoices.
 2. With this authority comes the responsibility for maintaining adequate documentation at the source of the transaction. It is the responsibility of each department to retain supporting documentation in accordance with the District's Records Retention Policy and Administrative Regulation 3310.
 3. Documentation, including the monthly Procurement Card transaction statement, MUST be maintained at its source.

405 **E. Closing of Accounts**

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419
1. Accounts will be audited as a part of the closeout procedures for employees leaving the District. Procurement Cards are to be turned-in to the Program Administrator by employees upon separation of service from the District for any reason.
 2. Supervisors of employees changing departments must contact the Program Administrator to close their accounts. If appropriate to the new position, the process for opening a new account will be followed. The District's Program Administrator will close account numbers upon request of the Chancellor, Presidents, Vice Chancellor's, and Vice Presidents.
 3. Accounts may be closed without prior notification if funds are not available in the Cardholder's account or cancelled at any time for reasons considered not in the best interest of the District. Reasons include but are not limited to failure to adhere to Board Policies and/or Administrative Regulations.

420 **F. Authorized/Prohibited Purchases and Practices**

421
422 Procurement cards are District property issued in the employee's name. Use is restricted
423 exclusively for qualified business-related purchases. Applicable purchase categories are
424 summarized as:

- 425
426
427
428
429
430
431
432
433
1. Authorized Purchases:
 - One time purchases up to \$500.00
 - Periodic supply purchases up to \$500.00 per transaction
 - Equipment costing under \$500.00 (includes tax and shipping)
 - Travel Expenses (Air Fare, Ground Transportation, Lodging, Conference Fees)
 - Refreshments for official business meetings

- 434 2. Prohibited Purchases:
435
436 Any purchase over \$500.00
437 Equipment costing over \$500.00
438 Furniture
439 AV equipment
440 Services
441 Computers
442 Software
443 Software licenses
444 Consultants, Instructors, Speakers
445 Maintenance Agreements
446 Service Agreements
447 Personal Items or items for personal use
448 Personnel/labor
449 Rental Agreements (Facilities, Equipment, ect.)
450 Lease/Purchase Agreements
451 Facility Improvements
452 Postage, Federal Express, UPS
453 Event decorations
454 Employee meals
455
456 3. Prohibited Practices:
457
458 Cash Refunds
459 Cash Advances
460 Split Orders/Purchases
461 Transferring cards between individuals
462 Wire transfers – Money orders
463

464 SECTION III - RESOLUTION PROCESS

465 A. General

466 The cardholder is responsible for taking appropriate and timely action by initiating the proper
467 documentation and notifying the proper official whenever a discrepancy is noted on the
468 monthly billing statement.
469
470

471 B. Order and Receipt of Goods

472 The cardholder is responsible for ensuring receipt of materials and will follow-up with the
473 vendor to resolve any delivery problems, discrepancies or damages to goods.
474

475 For telephone or catalog orders, make sure complete shipping address and instructions are
476 given along with your name (i.e., name, department name, complete street address, room
477 number, city, state and zip code). If materials are ordered by phone, ask the vendor to
478 include a sales receipt in the package. Save the credit card receipt and shipping
479 documentation.
480
481

482 C. Resolving Errors

483 The cardholder is responsible for following up with the vendor or bank on any erroneous
484 charges, disputed items, or returns as soon as detected. Disputed billing can result from
485 failure to receive goods/services, fraud, misuse, altered charges, defective merchandise,
486
487

488 incorrect amounts, duplicated charges, unprocessed credits, etc. The cardholder will first
489 contact the vendor to resolve all outstanding issues.

490
491 **D. Resolving Disputes**

492
493 If the cardholder is unable to reach agreement with the vendor, contact US Bank Customer
494 Service Center at 1-888-344-5696.

495
496 The bank will ask the cardholder to complete a Cardholder Statement of Questioned Item
497 form and fax or mail the completed form to the bank (Appendix D). Please note on the form
498 the reference number given to you by the customer service representative. A copy of the
499 form should be sent to Purchasing. The bank must be notified of any disputed item within
500 thirty (45) days of the cycle in which the item was purchased.

501
502 If the cardholder is still unable to reach an acceptable solution, contact Purchasing at 384-
503 4308.

504
505 **E. Credits and Returns**

506
507 The Cardholder is responsible for ensuring that all credits resulting from the return of
508 merchandise to the vendor are applied to the cardholders account. Should the related credit
509 appear in the subsequent billing cycle or appear on a subsequent billing statement the
510 cardholder must identify the future credit on the SBCCD Monthly Procurement Card
511 Purchase Log (Appendix C).

512
513 **F. Card Cancellation**

514
515 To cancel a Procurement Card, immediately call or notify in writing, the Program
516 Administrator. The administrator will notify the bank and deactivate the card. The card
517 should be cut in half and immediately forwarded to the Program Administrator.

518
519 **G. Lost or Stolen Card**

520
521 If your Procurement Card is lost or stolen, IMMEDIATELY NOTIFY US BANK AT 1-888-344-
522 5696 AND THE PROGRAM ADMINISTRATOR AT (909) 382-4031.

523
524 **SECTION IV - ACCOUNTING PROCESS**

525
526 **A. Purchase Requisition/Purchase Order – General**

527
528 Prior to final approval by Program Administrator of applicants Procurement Card Application,
529 applicant must initiate an Open Purchase Requisition to identify and encumber sufficient
530 funds to pay for obligations created by use of card. At any given moment the unexpended
531 amount on the Open Purchase Order must not be less than the monthly expenditure limit
532 established by the Program Administrator. Should the unexpended balance remaining on
533 the Open Purchase Order fall below the monthly expenditure limit established the Program
534 Administrator will reduce the monthly expenditure limit accordingly.

535
536 **B. Purchase Requisition/Purchase Order – Travel**

537
538 Authorized cardholders can use their assigned Procurement Cards to pay for registration,
539 airfare, lodging, parking, and other business-related incidental expenses with the exception
540 of meals. Meals are prohibited purchases. Such expense should only be made after

541 receiving Board approval, if applicable. Prior to using the Procurement Card, cardholders
542 must create a Purchase Requisition for the total estimated expense of the activity.

543
544 **C. Recordkeeping and Documentation**

545
546 To facilitate reconciliation, substantiation, and allocation of charges, the cardholder is
547 required to provide detailed information about his/her credit card purchases. The original
548 transaction documentation (credit card slip, packing slip, itemized invoice, etc.) will generally
549 provide important information such as a detailed listing of what was purchased, when the
550 transaction occurred, who the vendor is, where they are located, the purchase amount, and
551 the purchaser identification.

552
553 Regardless of the method used to document credit card transactions, the documentation
554 must provide the details of the transaction and describe the goods purchased.

555
556 The cardholders must prepare and maintain the SBCCD Monthly Procurement Card
557 Purchase Log (Appendix C) to expedite reconciliation and distribution of charges. This
558 summary, along with supporting documentation, is to be presented to the cardholder's
559 Responsibility Center Manager and Purchasing Department for review and approval.

560
561 **D. Reconciliation and Approval Process**

562
563 The following process and timeline has been established to facilitate the payment process
564 within the timeline required by US Bank.

- 565
- 566 1. Cardholders will receive a statement of charges either via U.S. mail or downloaded
567 from the US Bank website for their respective card. Cardholders must timely
568 reconcile the transaction documentation with the statement of charges using the
569 SBCCD Monthly Procurement Card Purchase Log. All the preceding documents
570 are herein after collectively referred to as the "reconciliation packet".
 - 571 2. Cardholders must forward the reconciliation packet to their Responsibility Center
572 Manager for approval no more than 5 working days after the close of the billing
573 cycle.
 - 574 3. After review and approval, the Responsibility Center Manager must forward the
575 reconciliation packet to the Purchasing Department no more than 5 working days
576 after receipt from the cardholder.
 - 577 4. Upon receipt, the Purchasing Department must review and approve the
578 reconciliation packet and forward to the Business Manager no more than 3 working
579 days after receipt.
 - 580 5. The Business Manager or designee must review and approve the reconciliation
581 packet and forward to Accounts Payable for processing within 48 hours of receipt.

582
583 **SECTION V – RESPONSIBILITIES**

584
585 **A. Cardholder Responsibilities**

586
587 This Administrative Regulation coupled with the Cardholder Guide places adequate controls
588 into effect, and if followed should provide significant benefits to both cardholder and District.
589 The following is a list of the cardholder's specific responsibilities:

590

- 591 1. Ensure that the Procurement Card is used in accordance with this Administrative
592 Regulation.
- 593 2. Purchase only items that are work-related or for the use and benefit of the District.
- 594 3. Order supplies only as needed and only from vendors with whom the District does
595 not already have negotiated contracts with.
- 596 4. Sign the card in the signature panel.
- 597 5. Maintain card security to prevent unauthorized charges against the account.
- 598 6. Obtain receipts at the point of purchases and verify them for accuracy.
- 599 7. Reconcile receipts and other purchase documentation to the statement of charges
600 timely.
- 601 8. Provide the vendor with all pertinent information when placing an order (if placing an
602 order by telephone, cardholder must instruct the vendor to ship goods directly to the
603 cardholder's department). DO NOT HAVE THE ORDER SENT TO CENTRAL
604 RECEIVING.
- 605 9. Maintain the documentation for all transactions in accordance with this
606 Administrative Regulation and the District's record retention policy.
- 607 10. Report loss of card IMMEDIATELY to: (1) U.S. Bank Customer Service and (2) the
608 Program Administrator (Business Manager).
- 609 11. Notify U.S Bank Customer Service of any billing discrepancies posted on your
610 statement of charges that cannot be resolved with the merchant. If needed,
611 complete and submit the Cardholder Statement of Questioned Item.
- 612 12. Do not allow any member of your staff, family or supervisor to use this card. You,
613 alone, are authorized to use this card.
- 614 13. Ensure that NO SPLIT PURCHASES are made.
- 615 14. Accept NO BACKORDERS.
- 616 15. Maintaining the SBCCD Monthly Procurement Card Purchase Log.
- 617 16. Submit the "Reconciliation Packet" to the Responsibility Center Manager for
618 approval within stated timelines.
- 619 17. Ensure sufficient funds have been encumbered on Purchase Order to meet the
620 obligations from card use.

621
622 Use of the Procurement Card that is NOT in accordance with the guidelines established for
623 this Program may result in: (1) lost of card privileges, (2) personal liability, (3) suspension,
624 (4) written reprimand, or (5) termination, in the case of fraudulent use.

625
626 **B. Responsibility Center Managers**

627
628 Responsibility Center Managers are responsible for:

- 630 1. Reviewing all charges.
- 631 2. Ensuring all purchases are appropriate.
- 632 3. Ensuring no prohibited items have been purchased.
- 633 4. Ensuring all proper documentation is attached to the reconciliation packet.
- 634 5. Ensuring cardholders do not purchase commodities that should have been
635 competitively bid in accordance with District Purchasing Policies and Procedures.
- 636 6. Ensuring that NO SPLIT PURCHASES are made.

637
638 **C. Program Administrator**

639
640 The Program Administrator is responsible for:

641

- 642 1. Administering the Procurement Card Program.
- 643 2. Processing approved requests for Procurement Cards.
- 644 3. Conducting Pre-Card Issue Training Sessions.
- 645 4. Providing assistance to cardholders.
- 646 5. Providing information to appropriate District officials.
- 647 6. Reviewing reports for program compliance.
- 648 7. Following up with Card Provider when necessary.
- 649

650 **D. Accounts Payable Department**

651
652 The Accounts Payable Department is responsible for:

- 653
- 654 1. Paying monthly statement billing upon receipt from Business Manager.
- 655 2. Following up with Card Provider on matters of payment.
- 656

657 **E. Card Provider**

658
659 Card Provider is responsible for:

- 660
- 661 1. Paying suppliers/vendors.
- 662 2. Monitoring and controlling credit verification.
- 663 3. Providing monthly statement and analyses to the Program Administrator.
- 664 4. Providing duplicate copies of sales drafts of a disputed charge when requested.
- 665
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Appendix A

San Bernardino Community College District
Cardholder Agreement

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The procurement card represents our company’s trust in you. You are empowered as a responsible agent to safeguard company assets. Your signature below is verification that you have read the employee handbook, Board Policy, and Administrative Regulation and agree to comply with the following responsibilities. It also acknowledges that you have received the Cal-Card card #_____.

1. I understand the card is for District-approved purchases only and I agree not to charge personal purchases.
2. Improper use of this card can be considered misappropriation of company funds. This may result in disciplinary action up to and including termination of employment.
3. If the card is lost or stolen, I will immediately notify U.S. Bank by telephone. I will confirm the telephone call by mail or facsimile with a copy of the notification to the Program Administrator.
4. I agree to surrender the card immediately upon termination of employment, whether for retirement, voluntary or involuntary reasons.
5. The card is issued in my name. I will not allow any other person to use the card. I am considered responsible for any and all charges against the card.
6. All charges will be billed directly to and paid directly by the District. The bank cannot accept any monies from me directly; therefore any personal charges billed to the company could be considered misappropriation of company funds.
7. As the card is District property, I understand that I may be periodically required to comply with internal control procedures designed to protect District assets. This may include being asked to produce the card to validate its existence and account number. I may also be asked to produce receipts and statements to audit its use.
8. I will receive a Monthly Reconciliation Statement (MRS), which will report all activity during the statement period. Since I am responsible for all charges (but not for payment) on the card, I will resolve any discrepancies by either contacting the supplier or the bank.
9. The charges made against my card are automatically assigned to the cost center assigned to the card as specified by management. This code cannot be changed without management involvement. When changed, the new accounting code will not affect any charges made prior to the change but will affect future charges.
10. I understand the Cal-Card is not necessarily provided to all employees. Assignment is based on my need to purchase materials for the business and/or to provide for business travel. My card may be revoked based on change of assignment or location. I understand that the card is not an entitlement nor reflective of title or position.

Employee Signature

Approving Responsibility Center Manager Signature (RCM)

Employee Printed Name

Date

Approving RCM Printed Name

Date

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Appendix B

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
Purchasing & Business Services

PROCUREMENT CARD APPLICATION

Name: _____ Date: _____
Last First Middle

Campus/Department: _____

Business Telephone: _____

Email Address: _____

Please check one:

Administrator: _____

Faculty: _____

Staff: _____

Signature of Applicant Date

Approve Disapprove

Signature of Responsibility Center Manager Date

Approve Disapprove

Vice President Date

Approve Disapprove

President Date

Approve Disapprove

Program Administrator Date

SBCCD Montly Procurement Card Purchase Log

For Period _____ to _____

Cardholder Name: _____

Department: _____

Date	Receipt or Invoice #	Vendor Name	Purchase Description	Event	# of items received	Total Purchase Amount	Purchase Order #	Account # to Charge (Object)
TOTAL						\$ -		

Cardholder Signature Date

Purchasing Signature Date

Approving Responsibility Center Date
Manager Signature

Business Manager Signature Date

Appendix D

CARDHOLDER STATEMENT OF QUESTIONED ITEM

CARDHOLDER NAME (please print or type)

ACCOUNT NUMBER

CARDHOLDER SIGNATURE

DATE

(AREA CODE) TELEPHONE NUMBER

The transaction in question as shown on statement of Account:

Table with 5 columns: Transaction Date, Reference Number, Merchant, Amount, Statement Date

Please read carefully each of the following situations and check the one most appropriate in your particular dispute. If you have any questions, please contact us at 888-994-6722. We will be more than happy to advise you in this matter.

1. UNAUTHORIZED MAIL OR PHONE ORDER OR PHONE ORDER

[] I have not authorized this charge to my account. I have not ordered merchandise by phone or mail, or received any goods or services.

2. DUPLICATE PROCESSING-THE DATE OF THE FIRST TRANSACTION WAS _____.

[] The transaction listed above represents a multiple billing to my account. I only authorized one charge from this merchant for this amount. My card was in my possession at all times.

3. MERCHANDISE OR SERVICE NOT RECEIVED IN THE AMOUNT OF \$ _____.

[] My account has been charged for the above listed transaction, but I have not received the merchandise or service. I have contacted the merchant but the matter was not resolved. (Please provide a separate statement detailing the merchant contract, and the expected date to receive merchandise.)

4. MERCHANDISE RETURNED IN THE AMOUNT OF \$ _____.

[] My account has been charged for the above listed transaction, but the merchandise has since been returned.

enclosed is a copy of my postal or express mail receipt

5. CREDIT NOT RECEIVED

[] I have received a credit voucher for the above listed charge, but it has not yet appeared on my account. A copy of the credit voucher is enclosed. (Please provide a copy of this voucher with this correspondence.)

6. ALTERATION OF AMOUNT

[] The amount of this charge has been altered since the time of purchase. Enclosed is a copy of my sales draft showing the amount of which I signed. The difference of amount is \$ _____.

7. INADEQUATE DESCRIPTION/UNRECOGNIZED CHARGE

[] I do not recognize this charge. Please supply a copy of the sales draft for my review. I understand that when a valid copy is sent to me, a Cardholder Statement of Questioned Item Form must be provided and will include the copy of the sales draft if a further dispute exists. If a copy of the sales draft cannot be obtained, a credit will appear on my account.

8. COPY REQUEST

[] I recognize this charge, but need a copy of the sales draft for my records.

9. SERVICES NOT RECEIVED

[] I have been billed for this transaction; however, the merchant was unable to provide the services.

[] Paid for by another means. My card number was used to secure this purchase, however final payment was made by check, cash, another credit card or purchase order. (Enclosed is my receipt, canceled check (front and back), copy of credit card statement, or applicable documentation demonstrating that payment was made by other means).

10. NOT AS DESCRIBED

[] (Cardholder must specify what goods, services or other things of value were received). The item(s) specified do not conform to what was agreed upon with the merchant. (The cardholder must have attempted to return the merchandise and state so in their complaint). _____

11. If none of the above reasons apply, please describe the situation: _____

(Note: Provide a complete description of the problem, attempted resolution and outstanding issues. Use a separate sheet of paper, if necessary, and sign your description statement).

Send To:

U.S. Bank Government Services, P.O. Box 6344, Fargo, ND 58125-6344

Fax: 866-299-9625 or 701-461-3463

Appendix E

San Bernardino Community College District
Purchasing & Business Services

PROCUREMENT CARD REJECTION

Instructions: Please complete this form and returned to the Purchasing Department for processing and follow up when purchases are rejected when using the Procurement Card. Please print or type.

Site: _____ Department: _____ Cardholder: _____ Ext.: _____ Date: _____

<u>Vendor</u>	<u>Item(s) Attempted to Purchase</u>	<u>Amount</u>
Name: _____	_____	_____
Address: _____	_____	_____
City/State/Zip: _____	_____	_____
Contact: _____	_____	_____
Telephone: _____	_____	_____

Date purchase was attempted: _____
Name of person attempting purchase: _____
Vendor/Supplier accept VISA: YES NO

Comments: _____

PURCHASING USE ONLY	
Reason for Card Rejection	Cardholder Assigned Standard Merchant Code Group
Incorrect Vendor/Supplier MCC	_____
Unauthorized Items (s)	_____
Card Limit Exceeded	_____
Other: _____	Vendor/Supplier MCC _____

Comments: (Purchasing Only) _____

24 Approved: 1/13/11

3
4 **PURCHASING**
5

6 The Chancellor is delegated the authority to purchase supplies, materials, apparatus, equipment
7 and services as necessary to the efficient operation of the District. No such purchase shall
8 exceed the amounts specified by Section 20651 of the California Public Contract Code as
9 amended from time to time.

10 All such transactions shall be reviewed by the Board every 60 days.
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44 Reference:
45 Education Code Section 81656;
46 Public Contracts Code Section 20650
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48 APPROVED: 9/9/04

3
4 **CONTRACTS**

5
6 **GENERAL CONTRACTS**

7
8 **A. Authority to Contract**

9
10 The authority to contract for goods and/or services is vested in the Board of Trustees.
11 Authority to contract prior to Board ratification may be delegated by the Board. However,
12 all contracts and/or agreements require Board approval or ratification for payments to be
13 processed. The authority to contract includes the amendments, extensions or addendums.
14 The Board shall designate those individuals who are authorized to sign contracts.
15 Contracts and/or agreements signed by any individual other than those authorized by the
16 Board are not valid or binding on the District. All contracts are subject to the requirements
17 of federal and state codes and regulations. All contracts are between the San Bernardino
18 Community College District and the contracting agency. Individual colleges, programs or
19 departments may not directly enter into a contract agreement.

- 20
21 1. While approval authority may be delegated by the Board, payments on contracts may
22 not be authorized until the contract is ratified by the Board.
23
24 2. Contracts that exceed the amounts specified in Public Contracts Code 20651 shall
25 require prior approval by the Board.
26
27 3. Contracts for fiscal audit, legal services, and other professional services/consultants
28 shall require prior approval by the Board except in the unusual situation that it is
29 deemed in the best interest of the District by the Chancellor to retain said services on
30 an emergency basis prior to a Board meeting. Any such contract issued under these
31 circumstances shall be brought forward to the Board of Trustees for formal approval at
32 the next available Board meeting.
33
34 4. Except as defined in numbers 2 and 3 above, contracts shall not require prior approval
35 by the Board and shall be presented at the next available Board meeting for ratification.

36
37 **B. Contract Review and Approval**

38
39 All contracts are reviewed and processed for Board approval or ratification through the
40 District Business Office. Contracts may require additional legal review. Review procedures
41 must be completed before any contract is submitted for approval. Any unauthorized
42 individual who signs a contract or agreement will be personally responsible for the value of
43 the contract.
44

45 **C. Supporting Documentation**

46
47 Contracts submitted for review and approval should be accompanied by a purchase
48 requisition if appropriate. Contracts for construction, transportation, or large scale
49 maintenance may require a certificate of liability insurance, certificate of Workers'
50 Compensation coverage, permits, licenses, or bonds.
51

52 **D. Contract Format/Negotiations**

53
54 The District Business Office can provide assistance in developing a contract. Contracts
55 must be prepared with great care and protect the District in its dealings. Some contracts

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require negotiations as to the terms and conditions of the contract between the District and the contracting agency. Many vendors use their own contract format that is always subject to review and/or modification by either party prior to approval.

CONSULTING SERVICES

A. Definition

A consultant is an individual or firm who is responsible to the District for the results of certain work but is not subject to the District's control as to the means and methods of accomplishing the results. A consultant is an independent contractor who receives no District-paid benefits, is not covered by District insurances, generally provides all tools and materials, has a place of business and a business listing in a directory where the services are offered to the general public, agrees to perform specific services for a fixed price and is free to work for one or more clients during any given period.

B. Conflict of Interest

The District will not complete a contract with a consultant with the intent of delegating decision making authority on behalf of the District. In the event that an extenuating condition exists where a consultant is given this authority, they will be subject to compliance with the conflict of interest regulations of the District by filing an appropriate "Conflict of Interest Form.

C. Employees as Consultants

An individual cannot be both a District employee and an independent contractor with the District at the same time unless it can be clearly demonstrated that the work being performed as a consultant has no relationship to work being performed as a District employee and such work cannot be construed as falling within the broad definition of the individual's job description or classification as an employee. Any District employee hired as a consultant on a District-related project is considered an "employee" for payroll purposes and payment for services is subject to appropriate tax withholding.

C. Contracts

Each consultant will have an approved agreement or contract on file in the District Business Office prior to beginning the service that has been negotiated through the District's contracting process.

1 **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**
2 **BOARD POLICY**

6340

3
4 **CONTRACTS**

5
6 The Board delegates to the Chancellor the authority to enter into contracts on behalf of the
7 District and to establish administrative procedures for contract awards and management, subject
8 to the following:

- 9 • While approval authority of contracts may be delegated by the Board, payments on
10 contracts may not be authorized until the contract is ratified by the Board.
- 11 • Contracts for work to be done, services to be performed or for goods, equipment or
12 supplies to be furnished or sold to the District that exceed the amounts specified in Public
13 Contracts Code Section 20651 shall require prior approval by the Board.
- 14 • When bids are required according to Public Contracts Code Section 20651, the Board
15 shall award each such contract to the lowest responsible bidder who meets the
16 specifications published by the District and who shall give such security as the Board
17 requires, or reject all bids.

18 If the Chancellor concludes that the best interests of the District will be served by pre-qualification
19 of bidders in accordance with Public Contracts Code Section 20651.5, pre-qualification may be
20 conducted in accordance with procedures that provide for a uniform system of rating on the basis
21 of a questionnaire and financial statements.

22 If the best interests of the District will be served by a contract, lease, requisition or purchase order
23 though any other public corporation or agency in accordance with Public Contracts Code Section
24 20652, the Chancellor is authorized to proceed with a contract.

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42 Reference:
43 Education Code Sections 81641, et seq.
44 Public Contracts Code Sections 20650, et seq.

45
46 APPROVED: 3/17/11
47

3
4 **AUDITS**
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6 On or before April 1 of the fiscal year, the Board shall approve the selection of an auditor who
7 shall be a certified public accountant licensed by the California State Board of Accountancy.

8 An auditing firm's contract shall be for no more than three years. The audit shall include all funds
9 under the control or jurisdiction of the District. The audit shall identify all expenditures by source
10 of funds and shall contain:

- 11 • A statement that the audit was conducted pursuant to standards and procedures
12 developed in accordance with Education Code Section 84040.5, and
13 • a summary of audit exceptions and management recommendations.

14 Audit reports for the preceding fiscal year must be presented to the Board and submitted to the
15 state Chancellor's Office by December 31.

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25 Reference:
26 Education Code Section 84040(b)

27
28 ADOPTED: 8/5/05

3
4 **AUDITS**
5

6 There shall be an annual outside audit of all funds, books and accounts of the District in
7 accordance with the regulations of Title 5. The Chancellor shall assure that an annual outside
8 audit is completed. The Chancellor shall recommend a certified public accountancy firm to the
9 Board with which to contract for the annual audit.

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43 Reference:
44 Education Code Section 84040(b)

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46 APPROVED: 9/9/04
47