

FISCAL MANAGEMENT

The Chancellor shall establish regulations to ensure that the District maintains sound fiscal management in accordance with the principles contained in law, including:

- A. Adequate internal controls exist.
- B. All auxiliary activities that have a fiscal impact on the District comport with the educational objectives of the District and comply with sound accounting and budgeting principles, public disclosures, and annual independent audit requirements.
- C. Board approval and District oversight of all bank accounts, including approval of authorized signatories.
- D. Fiscal objectives, procedures, and constraints are communicated to the Board and employees.
- E. District personnel practices are consistent with legal requirements and that staffing costs do not exceed estimates of available financial resources.
- F. Adjustments to the budget are made in a timely manner, when necessary.
- G. The management information system provides timely, accurate, and reliable fiscal information.
- H. Responsibility and accountability for fiscal management are clearly delineated.

The Chancellor shall also establish regulations that satisfy the U.S. Education Department General Administrative Regulations (EDGAR) Second Edition for any federal funds received by the District.

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

As required by law, the Board shall be presented with three quarterly reports and an annual report showing the financial and budgetary conditions of the District.

As required by the *Budget and Accounting Manual*, expenditures shall be recognized in the accounting period in which the liability is incurred, and shall be limited to the amount budgeted for each major classification of accounts and to the total amount of the budget for each fund.

References:

Education Code Section 84040(c)

California Code of Regulations, Title 5 Section 58311

ACCJC Accreditation Standard 3

2 Code of Federal Regulations Parts 200.302(b)(6)-(7), 200.305, and 200.400 et seq.

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