

SAUSALITO MARIN CITY SCHOOL DISTRICT

BOARD OF TRUSTEES REGULAR MEETING AGENDA

BOARD OF TRUSTEES

Thomas Newmeyer, President; Mark Trotter, Vice President; Karen Benjamin, Clerk;
Shirley Thornton, Ed.D.; William J. Ziegler

SUPERINTENDENT

Valerie Pitts, Ed.D.

April 19, 2012

6:00 PM

Meeting Location: 200 Phillips Drive, Marin City

Discussion (D); Action (A)

CALL TO ORDER 6:00 PM

1. APPROVAL OF AGENDA ORDER (A)
2. PERSONS WISHING TO ADDRESS THE BOARD PRIOR TO CLOSED SESSION (D)
3. RECESS TO CLOSED SESSION TO CONSIDER AND/OR TAKE ACTION UPON ANY OF THE FOLLOWING ITEM(S) (D/A)

- A. With respect to every item of business to be discussed in Closed Session pursuant to GC Section 54956.8: Lease Agreements and Service Contracts
- B. With respect to every item of business to be discussed in Closed Session pursuant to GC Section 54956.9: Pending Litigation
- C. With respect to every item of business to be discussed in Closed Session pursuant to GC Section 54957: Public Employees – Administrative Contracts

REGULAR SESSION 7:00 PM

4. Announcement of Reportable Action Taken in Closed Session
5. Pledge of Allegiance
6. PERSONS WISHING TO ADDRESS THE BOARD PRIOR TO OPEN SESSION (D)

The Sausalito Marin City School Board of Trustees welcomes and values public input and participation. School board meetings are meetings of the Board of Trustees held in public and as such, public input is structured to ensure efficiency and respect for meeting protocols. Public input rules are posted at meetings.

Entire board packet on www.sausalitomarincityschools.org under School Board

REPORTS

7. Trustee Reports (D)

Members of the school board will report on activities and information they wish to share. The Board may request that items be agendized and researched for presentation at future meetings.

8. Superintendent's Report (D)

- A. Sausalito Police Department: Jennifer Tejada, Chief of Police
- B. Principal's Report -
 - MLK Benchmark Three Summary Report
- C. Head of School's Report

FINANCE

9. 2012/2013 District Budget Development (D)

10. Fiscal Crisis and Management Assistance Team (FCMAT) Report (D)

11. Agreements Between Sausalito Marin City School District and Mill Valley School District

- a. Tennessee Glen Agreement 2012/2013 Addendum #12 (V)
- b. Tennessee Woods Agreement 2012/2013 Addendum #10 (V)
- c. Mill Valley & Sausalito Marin City School Districts Attendance Agreement 2012/2013 Addendum #3 (V)

FACILITIES

12. Facilities Master Plan and Facilities Bond Needs Analysis (D)

CONSENT AGENDA

The purpose of the Consent Agenda is to group items which may be approved routinely. A board member or a member of the audience may request removal of an item for discussion. (V-Roll Call)

- 13. Approval of the minutes of the regular meeting of March 8, 2012
- 14. Approval of Payments of Warrants
- 15. Approval of District Calendar for the 2012/2013 School Year
- 16. Approval of the Quarterly Report: Williams Act
- 17. Approval of Resolution #660, 2011/2012 Employee Appreciation
- 18. Memorandums of Understanding – Two Classified Employees
- 19. Action on Final Facilities to be Allocated to Willow Creek Academy for the 2012/2013 School Year

Entire board packet on www.sausalitomarincityschools.org under School Board

ADJOURNMENT

FUTURE BOARD AGENDA ITEMS

Recognition: Golden Bell winners; SDTA Merit Pay recipients, retirees; etc
Assessment Reports (Writing/Study Island)
Extension of Agreement of Participating School Districts in Marin Re: Interdistrict Attendance Agreements
District Health Services Overview
Instructional Minutes/Bell Schedule
School Site Survey Results
Second Draft – General Fund Budget
Second Draft-WCA Budget
Quarterly Receivables Report
Year End After School Program Report
Grade Level Report-XX

SAVE THE DATES

Future District Meeting Dates

All meetings are held at the District Office, 200 Phillips Drive, Marin City at 7:00 p.m. unless otherwise noted. *The first meeting date of each month will be allocated to additional special meetings on facilities issues, special meetings, community forum, etc. as needed. The only or second meeting date of each month will be allocated to regular board meetings.

2011/2012 School Year

May 10*
May 24
June 14 Two meetings in June
June 28

2012/2013 School Year

July 26 One July meeting due to Summer Break
August 9*
August 23
September 13*
September 27
October 11*
October 25
November 15 Third Thursday; one November meeting due to Holidays
December 6* First Thursday due to Holidays
December 13 Second Thursday due to Holidays
January 10*
January 24
February 14*
February 28
March 14*
March 28
April 18* Third Thursday due to Spring Recess
April 25
May 09*
May 23
June 13 Two meetings in June
June 27

Future Charter School Board Meeting Dates

Entire board packet on www.sausalitomarincityschools.org under School Board

Meetings are open to the public and generally held on the school campus, 33 Buchanan Street, Sausalito. With the exception of the December meeting, meetings are held on the 3rd Wednesday of the month at 6:30 p.m.

May 16

June 20

Upcoming Dates and Important Events

Please visit the District website www.sausalitomarincityschools.org

Sausalito Marin City School District Board Meeting Procedures

Agendas are posted at the District Office and at Martin Luther King, Jr. Academy, both located at 200 Phillips Drive, Marin City. An agenda is also posted at Bayside Elementary School, 630 Nevada Street, Sausalito. Agendas are posted at least 72 hours in advance of a regular board meeting. All board meetings are conducted according to Education Code 35145.5 and District Board Policy 9320.

The District adheres to the Americans with Disabilities Act. Should you require special accommodations, or more information about accessibility, please contact the District Office at 415-332-3190. All efforts will be made for reasonable accommodations. Members of the public are requested to turn off or mute ALL cell phones, pagers or other communication devices upon entering the Board Meeting Room. Backup materials for items on this agenda are available for review in the Superintendent's Office.

Entire board packet on www.sausalitomarincityschools.org under School Board

Sausalito Marin City School District
Office of the Superintendent

Date: April 19, 2012
To: Board of Trustees
From: Valerie Pitts, Superintendent and Sandie Spoering, Assistant Principal
Re: Discussion: Study Island Benchmark Assessments, MLK

Background

Study Island was initiated in October last year at MLK. Teachers and students have been using Study Island to develop basic skills as well as to support instruction in skill practice. Study Island is also being piloted as one (benchmark) assessment tool in both schools. In schools across the country, Study Island has been shown to make a difference in raising the CST scores across grades levels, within its first year of implementation.

The Study Island program at SMCS D includes the Mathematics, Language Arts and Science curriculums.

Analysis

The 3rd benchmark assessment scores have shown a remarkable improvement in ELA, across the grade levels at MLK. There was a marked increase in students scoring proficient and a decrease in the number of students scoring Far Below Basic.

There is also a slight increase in scores for Math across the grade levels. There is an upward trend with the scores in the 3rd benchmark.

Overall the scores seemed to be moving in the right direction. Work with test taking skills and grade-level standards instruction seems to have a positive effect on the scores.

Financial Impact

Study Island was purchased by the District at a cost of \$1,534.55 for Bayside and \$1,974.39 for MLK, using State lottery funds.

Recommendation

This item is brought before the board for review and discussion.

Backup attached: Yes No

Benchmark Executive Summary Report

Report Filters

School: MARTIN LUTHER KING JR
ACADEMY

5th Grade - ELA (Common Core)

No benchmarks have been assigned

5th Grade - Language Arts

Test	# Tested Students	Far Below Basic		Below Basic		Basic		Proficient		Advanced	
		#	%	#	%	#	%	#	%	#	%
CST Language Arts Benchmark 1 Gradebook Format - Item Analysis	11	5	45.5%	2	18.2%	3	27.3%	1	9.1%	0	0%
CST Language Arts Benchmark 2 Gradebook Format - Item Analysis	14	4	28.6%	5	35.7%	3	21.4%	2	14.3%	0	0%
CST Language Arts Benchmark 3 Gradebook Format - Item Analysis	12	1	8.3%	2	16.7%	1	8.3%	7	58.3%	1	8.3%

5th Grade - Math

Test	# Tested Students	Far Below Basic		Below Basic		Basic		Proficient		Advanced	
		#	%	#	%	#	%	#	%	#	%
CST Math Benchmark 1 Gradebook Format - Item Analysis	9	7	77.8%	2	22.2%	0	0%	0	0%	0	0%
CST Math Benchmark 2 Gradebook Format - Item Analysis	14	12	85.7%	1	7.1%	0	0%	1	7.1%	0	0%
CST Math Benchmark 3 Gradebook Format - Item Analysis	12	6	50%	2	16.7%	3	25%	1	8.3%	0	0%

5th Grade - Math (Common Core)

No benchmarks have been assigned

6th Grade - Language Arts

Test	# Tested Students	Far Below Basic		Below Basic		Basic		Proficient		Advanced	
		#	%	#	%	#	%	#	%	#	%
CST Language Arts Benchmark 1 Gradebook Format - Item Analysis	13	3	23.1%	9	69.2%	1	7.7%	0	0%	0	0%
CST Language Arts Benchmark 2 Gradebook Format - Item Analysis	14	2	14.3%	5	35.7%	5	35.7%	1	7.1%	1	7.1%
CST Language Arts Benchmark 3 Gradebook Format - Item Analysis	14	0	0%	1	7.1%	3	21.4%	9	64.3%	1	7.1%

6th Grade - Math

Test	# Tested Students	Far Below Basic		Below Basic		Basic		Proficient		Advanced	
		#	%	#	%	#	%	#	%	#	%
CST Math Benchmark 1 Gradebook Format - Item Analysis	14	8	57.1%	5	35.7%	0	0%	1	7.1%	0	0%
CST Math Benchmark 2 Gradebook Format - Item Analysis	14	9	64.3%	5	35.7%	0	0%	0	0%	0	0%
CST Math Benchmark 3 Gradebook Format - Item Analysis	13	7	53.8%	4	30.8%	2	15.4%	0	0%	0	0%

7th Grade - Language Arts

Test	# Tested Students	Far Below Basic		Below Basic		Basic		Proficient		Advanced	
		#	%	#	%	#	%	#	%	#	%
CST Language Arts Benchmark 1 Gradebook Format - Item Analysis	7	2	28.6%	2	28.6%	3	42.9%	0	0%	0	0%
CST Language Arts Benchmark 2 Gradebook Format - Item Analysis	7	0	0%	3	42.9%	3	42.9%	1	14.3%	0	0%
CST Language Arts Benchmark 3 Gradebook Format - Item Analysis	9	0	0%	3	33.3%	3	33.3%	2	22.2%	1	11.1%

7th Grade - Math

Test	# Tested Students	Far Below Basic		Below Basic		Basic		Proficient		Advanced	
		#	%	#	%	#	%	#	%	#	%
CST Math Benchmark 1 Gradebook Format - Item Analysis	10	9	90%	1	10%	0	0%	0	0%	0	0%
CST Math Benchmark 2 Gradebook Format - Item Analysis	9	7	77.8%	2	22.2%	0	0%	0	0%	0	0%
CST Math Benchmark 3 Gradebook Format - Item Analysis	9	5	55.6%	2	22.2%	2	22.2%	0	0%	0	0%

8th Grade - General Math

Test	# Tested Students	Far Below Basic		Below Basic		Basic		Proficient		Advanced	
		#	%	#	%	#	%	#	%	#	%
CST Math Benchmark 1 Gradebook Format - Item Analysis	12	9	75%	3	25%	0	0%	0	0%	0	0%
CST Math Benchmark 2 Gradebook Format - Item Analysis	14	7	50%	4	28.6%	2	14.3%	1	7.1%	0	0%
CST Math Benchmark 3 Gradebook Format - Item Analysis	14	7	50%	2	14.3%	5	35.7%	0	0%	0	0%

8th Grade - Language Arts

Test	# Tested Students	Far Below Basic		Below Basic		Basic		Proficient		Advanced	
		#	%	#	%	#	%	#	%	#	%
CST Language Arts Benchmark 1 Gradebook Format - Item Analysis	12	3	25%	4	33.3%	1	8.3%	4	33.3%	0	0%
CST Language Arts Benchmark 2 Gradebook Format - Item Analysis	15	4	26.7%	5	33.3%	3	20%	3	20%	0	0%
CST Language Arts Benchmark 3 Gradebook Format - Item Analysis	13	0	0%	1	7.7%	3	23.1%	7	53.8%	2	15.4%

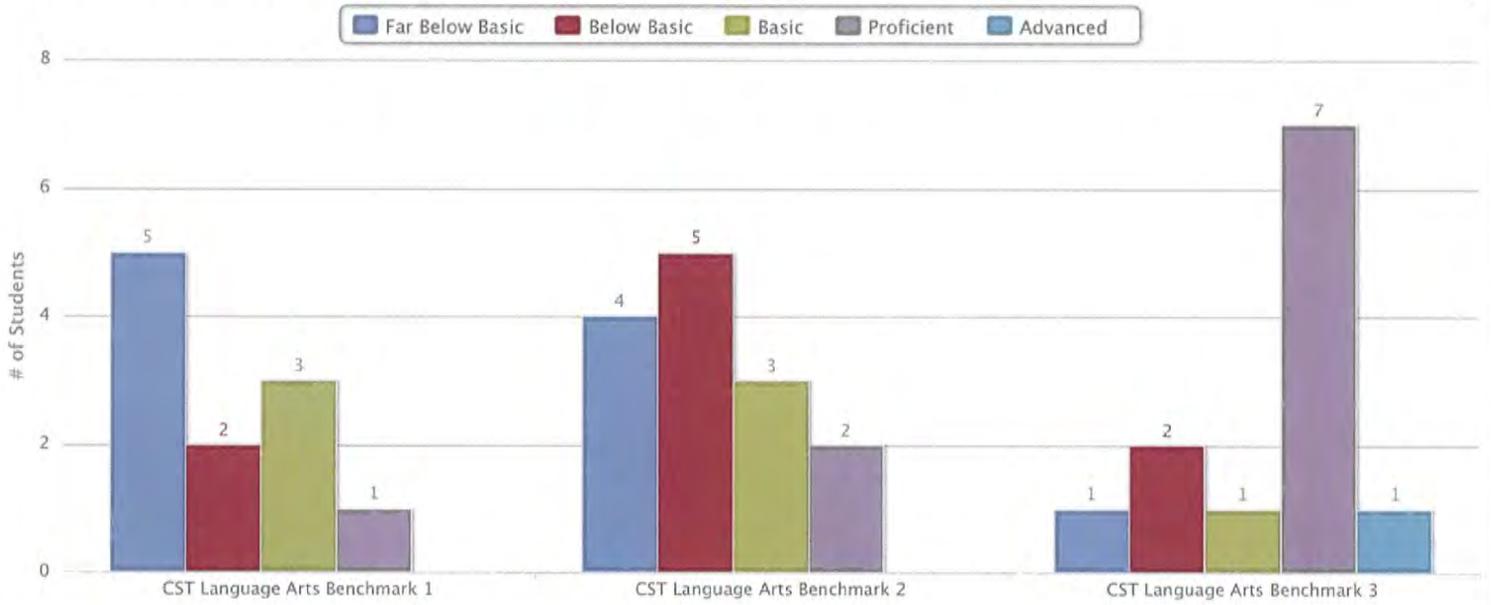
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Benchmark Summary Graph Report

Report Filters

Grade: 5
School: MARTIN LUTHER KING JR
ACADEMY
Program: 5th Grade - California
Standards Mastery

5th Grade - Language Arts

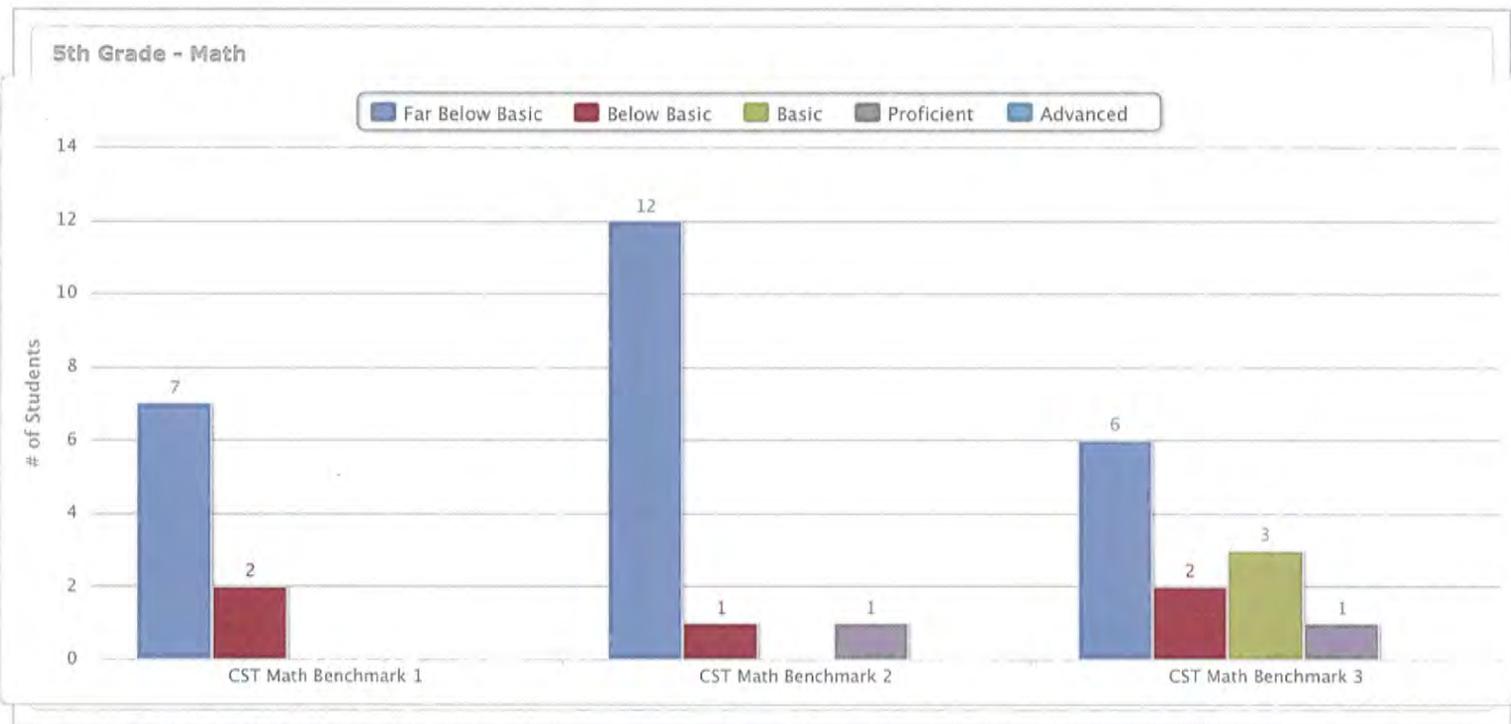


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Benchmark Summary Graph Report

Report Filters

Grade: 5
School: MARTIN LUTHER KING JR
ACADEMY
Program: 5th Grade - California
Standards Mastery



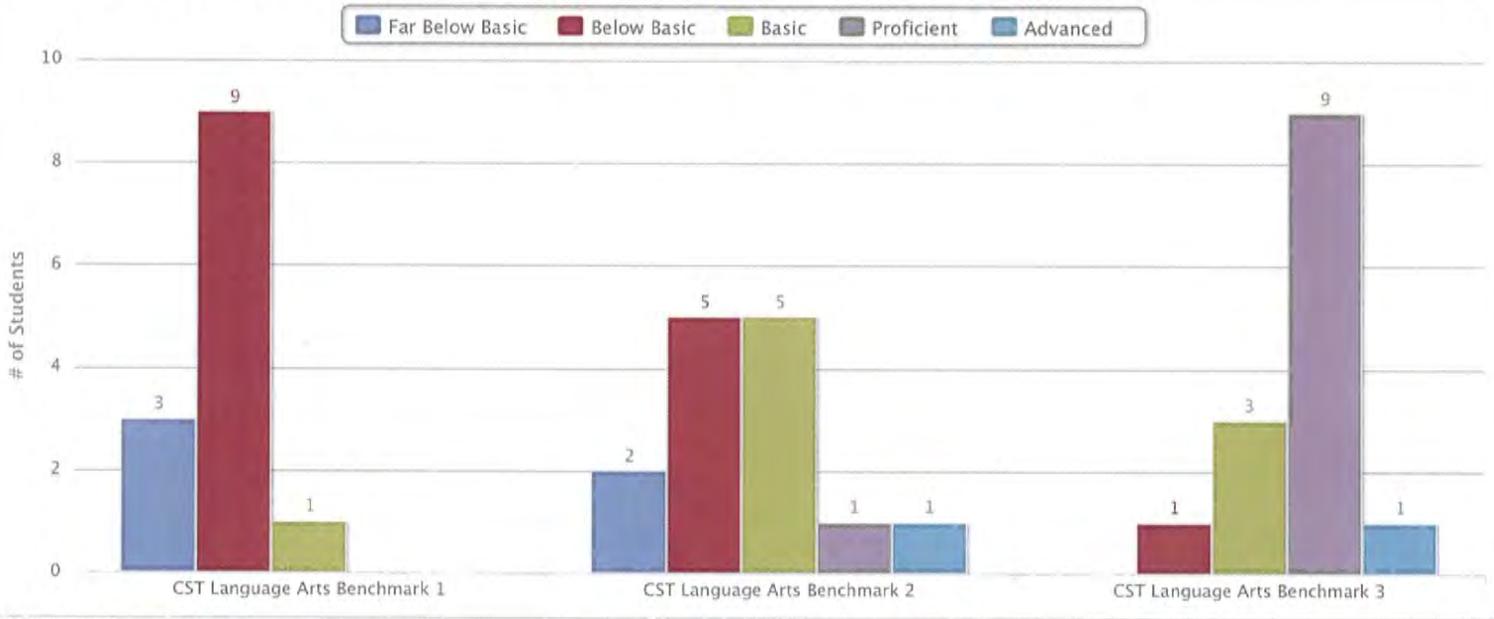
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Benchmark Summary Graph Report

Report Filters

Grade: 6
 School: MARTIN LUTHER KING JR
 ACADEMY
 Program: 6th Grade - California
 Standards Mastery

6th Grade - Language Arts

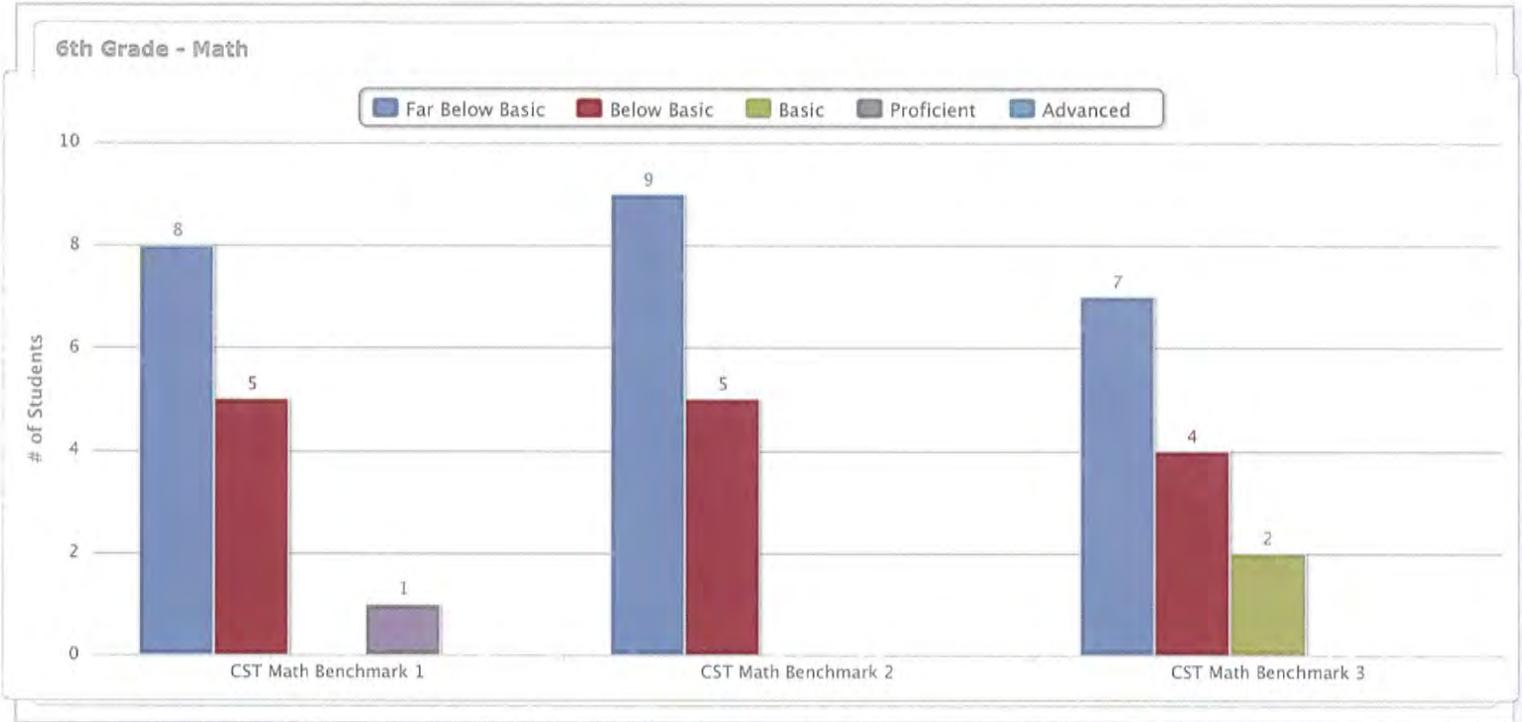


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Benchmark Summary Graph Report

Report Filters

Grade: 6
School: MARTIN LUTHER KING JR
ACADEMY
Program: 6th Grade - California
Standards Mastery



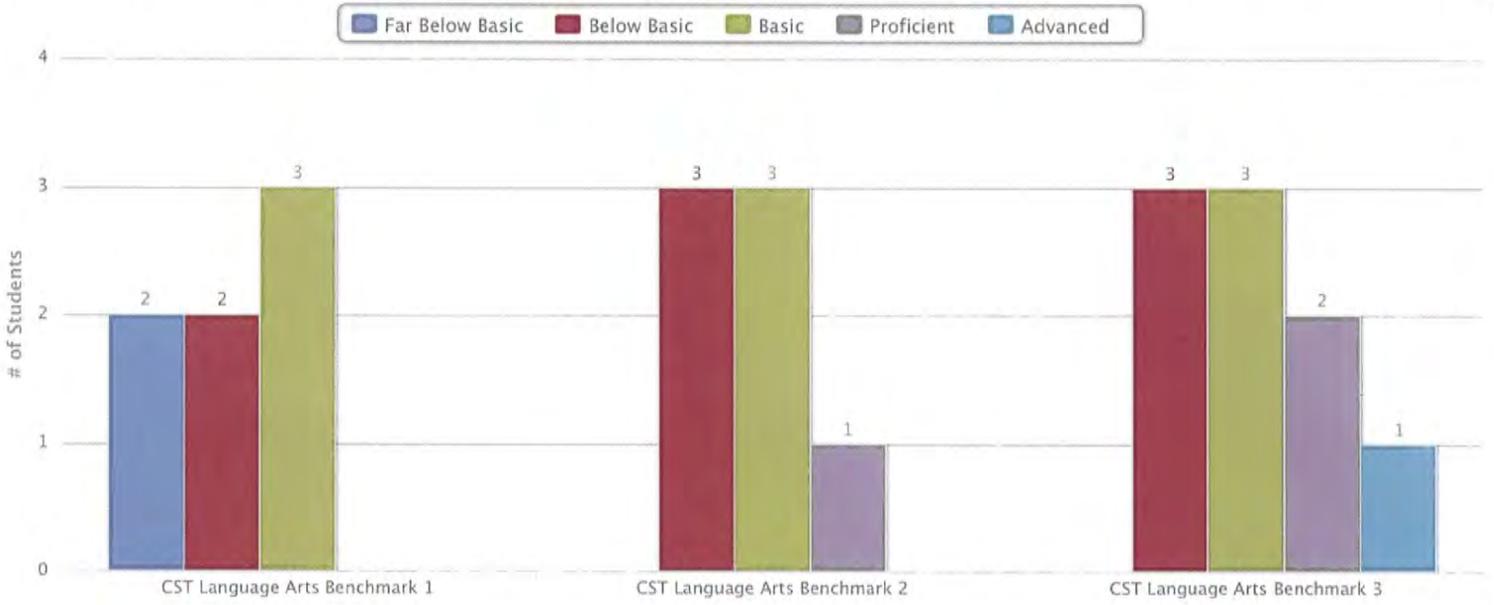
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Benchmark Summary Graph Report

Report Filters

Grade: 7
School: MARTIN LUTHER KING JR
ACADEMY
Program: 7th Grade - California
Standards Mastery

7th Grade - Language Arts



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Benchmark Summary Graph Report

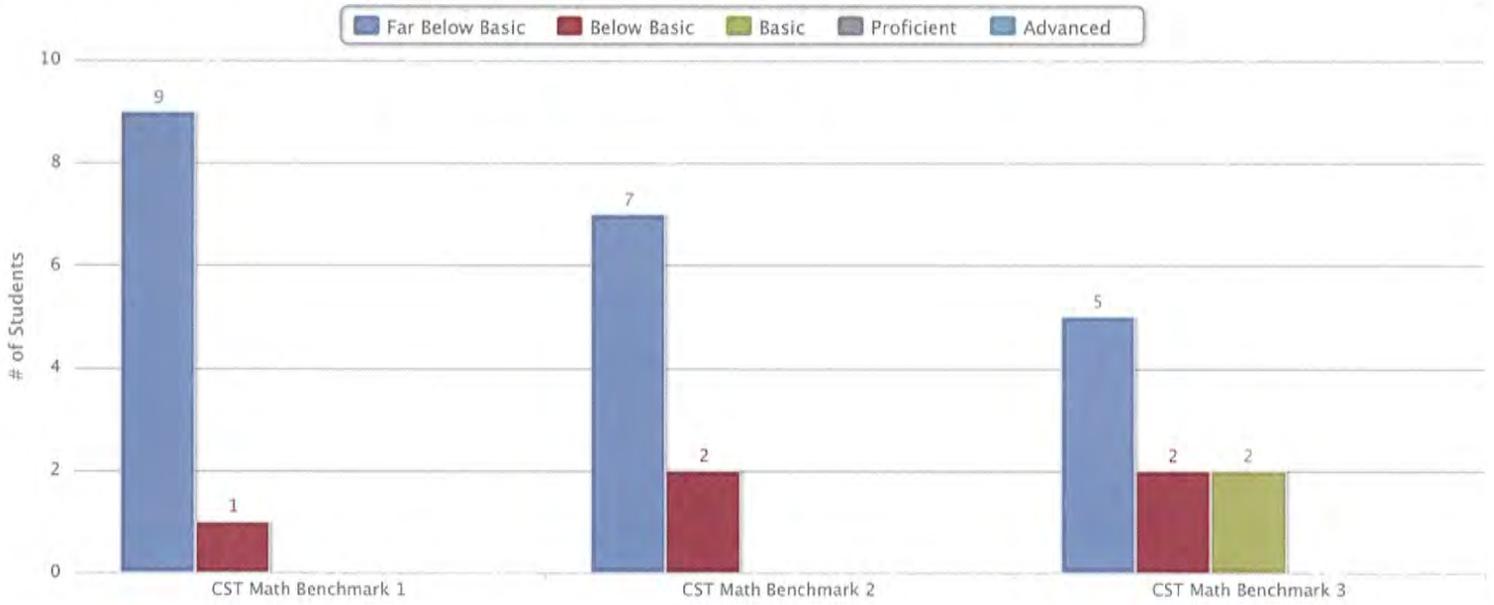
Report Filters

Grade: 7

School: MARTIN LUTHER KING JR
ACADEMY

Program: 7th Grade - California
Standards Mastery

7th Grade - Math



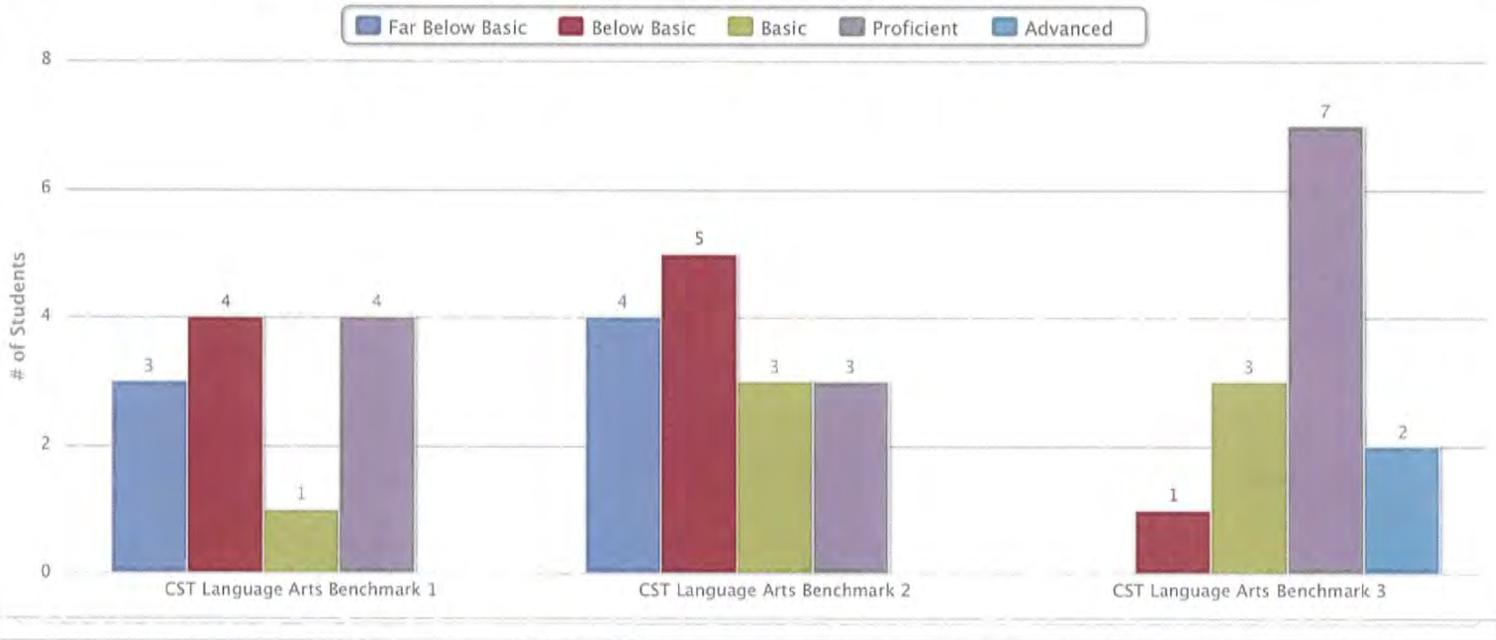
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Benchmark Summary Graph Report

Report Filters

Grade: 8
 School: MARTIN LUTHER KING JR
 ACADEMY
 Program: 8th Grade - California
 Standards Mastery

8th Grade - Language Arts

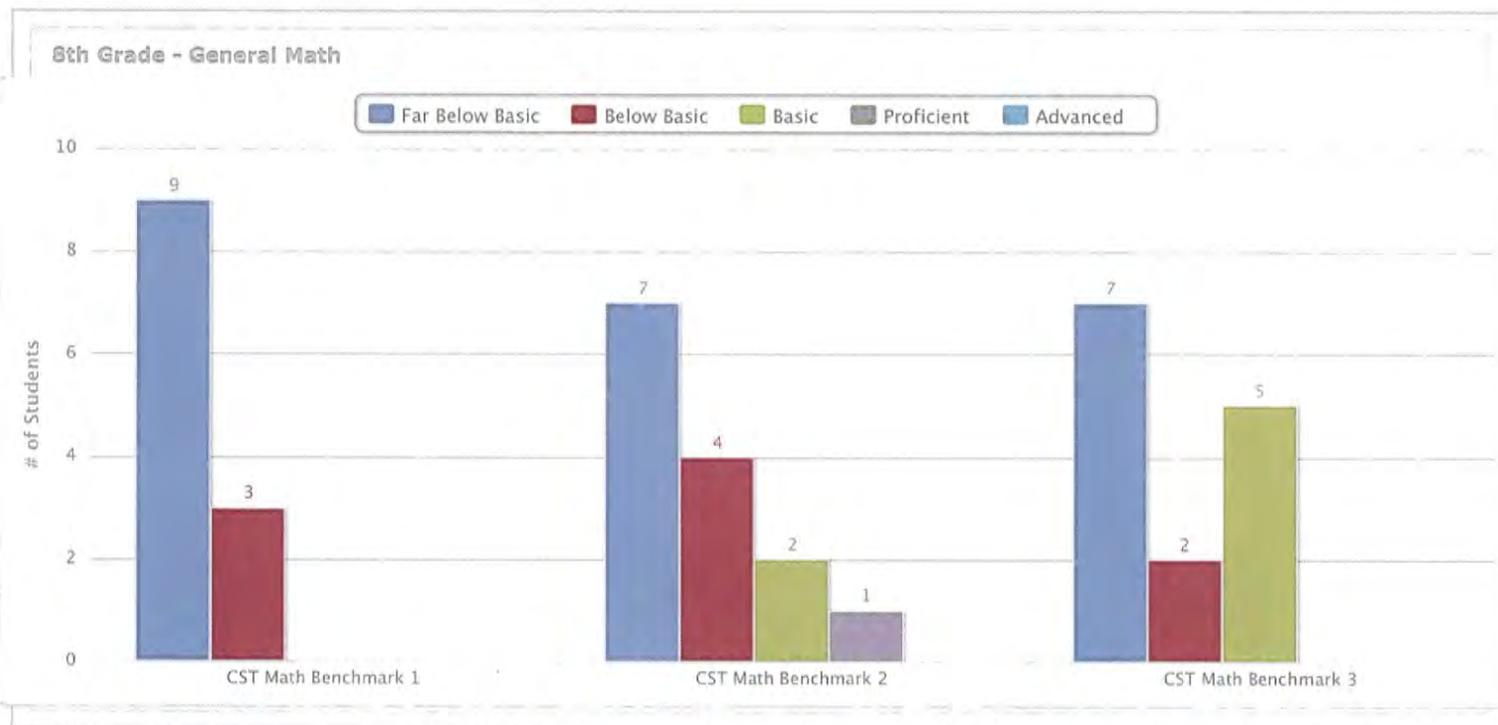


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Benchmark Summary Graph Report

Report Filters

Grade: 8
School: MARTIN LUTHER KING JR
ACADEMY
Program: 8th Grade - California
Standards Mastery



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Sausalito Marin City School District
Office of the Superintendent

Date: April 19, 2012
To: Board of Trustees
From: Valerie Pitts, Superintendent, and Paula Rigney, Business Manager
Re: Discussion: FCMAT Report

Background

In October of 2011 the Sausalito Marin City School District Board approved the request that Fiscal Crisis and Management Assistance Team (FCMAT) provide the District with support by conducting a comprehensive review of the central office and administrative functions. FCMAT's primary mission is to assist California's local K-12 educational agencies to identify, prevent and resolve financial and data management challenges. They are used not only as a fiscal crisis team but as a resource for local educational agencies (LEA's) in supporting sound financial practices and efficient operations. FCMAT's analysis and review will provide the Sausalito Marin City School District with findings and recommendations that will improve fiscal procedures and accountability standards.

Analysis

FCMAT's review ranged from the administration of board policies, administration of regulations, budget development, financial reporting, direct service options from the County Office, payroll position control, accounts payable, purchasing and personnel. The team also evaluated the District's budget practices and expenditures. Their recommendations will be used to increase the efficiency and operations of the Sausalito Marin City School District. FCMAT's analysis and services will be used to help the District meet its state reporting responsibilities, improve data quality, develop internal policy and procedures and guide the District in its efforts to be more fiscally accountable.

Financial Impact

The report provided by FCMAT will be used as a base for current budget recommendations and in future budget development and direction. The expected cost for the FCMAT review is estimated at approximately \$10,500.

Legal Implications

FCMAT was created by Assembly Bill 1200 in 1992 to assist LEA's to meet and sustain their financial obligations. AB 1200 is a state-wide plan for County Office of Education and school district's to work together locally. The District will be reviewing and implementing the recommendations provided in FCMAT's report to make sure that the District is in full compliance with future fiscal accountability standards.

Recommendation

This item is brought before the board for review and discussion.

Backup attached: Yes No



CSIS California School Information Services

Sausalito Marin City School District

Management Review
April 10, 2012



Joel D. Montero
Chief Executive Officer





FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

CSIS California School Information Services

April 10, 2012

Valerie Pitts, Superintendent
Sausalito Marin City School District
200 Phillips Drive
Marin City, CA 94965

Dear Superintendent Pitts:

In October 2011, the Sausalito Marin City School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement to provide the district with management assistance. Specifically, the agreement stated that FCMAT would perform the following:

1. A comprehensive review of the central office and administrative functions which shall include board policies, administrative regulations, budget development, financial reporting, direct service options from the County Office, payroll, position control, accounts payable, purchasing and personnel. The team will also make recommendations to increase the efficiency of the school district's operations.
2. The team will review the district's budget practices including expenditures of funds from Qualified Zone Academy Bonds for the Willow Creek Academy Charter School and make recommendations, if any.

This final report contains the study team's findings and recommendations in the above areas of review. We appreciate the opportunity to serve the Sausalito Marin City School District and extend our thanks to all the staff for their assistance during fieldwork.

Sincerely,



Joel D. Montero
Chief Executive Officer

FCMAT

Joel D. Montero, Chief Executive Officer

1300 17th Street - CITY CENTRE, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647
422 Petaluma Blvd North, Suite C, Petaluma, CA 94952 • Telephone: 707-775-2850 • Fax: 707-775-2854 • www.fcmat.org
Administrative Agent: Christine L. Frazier - Office of Kern County Superintendent of Schools

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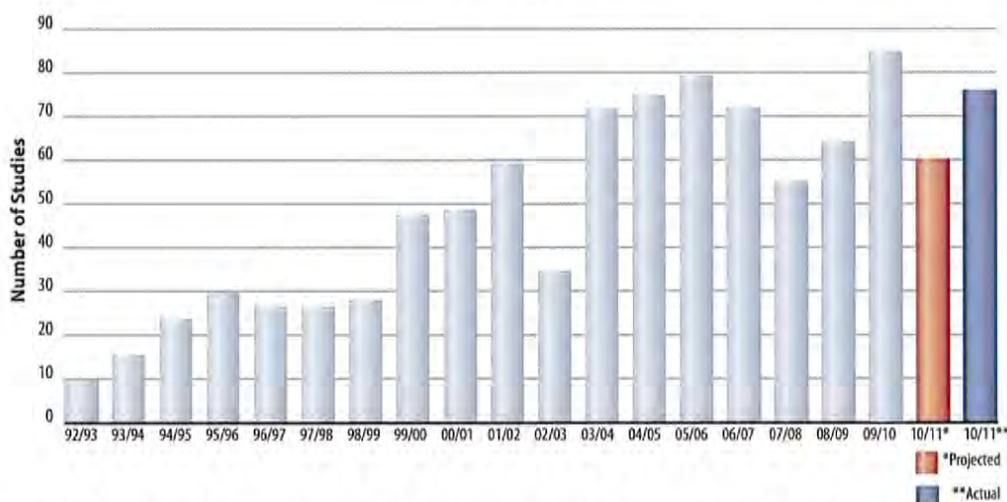
About FCMAT

FCMAT’s primary mission is to assist California’s local K-14 educational agencies to identify, prevent, and resolve financial and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT’s fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices and efficient operations. FCMAT’s data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and share information.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the local education agency to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

Studies by Fiscal Year



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help local educational agencies operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) arm of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS) and also maintains DataGate, the FCMAT/CSIS software LEAs use for CSIS services. FCMAT was created by Assembly Bill 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. Assembly Bill 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. Assembly Bill 1115 in 1999 codified CSIS’ mission.

AB 1200 is also a statewide plan for county office of education and school districts to work together locally to improve fiscal procedures and accountability standards. Assembly Bill 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, SB 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform nearly 850 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

Background

Located in Marin County, the Sausalito Marin City School District has a five-member elected governing board. The district serves approximately 150 students in kindergarten through eighth grade at one elementary school and one middle school. The district is also the authorizing agency for the Willow Creek Academy Charter School, an independent, direct-funded charter school organized as a California nonprofit public benefit corporation.

The district's enrollment peaked in 2008-09 at 177 and has declined each year since then. Approximately 18.5% of its students are English Learners and 93.5% are eligible for free and reduced-price meals. According to the 2011 Adequate Yearly Progress (AYP) Report, neither the district nor any of its schools have entered program improvement (PI) although the district did not meet its AYP criteria for 2011. All schools and local educational agencies that do not make AYP for two consecutive years are identified as in program improvement under the federal Elementary and Secondary Education Act (ESEA). The ESEA requires all states to implement statewide accountability systems based on challenging state standards in English-language arts reading and mathematics, annual testing for all students in grades three through eight, and annual statewide progress objectives ensuring that all groups of students reach proficiency by fiscal year 2013-14. Assessment results are disaggregated by socioeconomic status, race, ethnicity, disability, and limited English proficiency to ensure that no group is left behind. LEAs and schools that fail to make AYP toward statewide proficiency goals are subject to improvement and corrective action measures. Once in PI, a school or LEA that fails to make AYP will advance further in PI status.

The district also suffered a 17 point loss in its Academic Performance Index (API) score moving from a 2010 score of 745 to 728 for 2011. API is used to meet part of the federal AYP requirements under ESEA. A school, LEA or the state must have a minimum API of 710 or have at least one point growth in API in addition to meeting the other AYP targets (participation rate, percent proficient, and graduation rate) in order to make AYP for 2011. Despite the district's loss of 17 points, the 2011 AYP LEA report reflects that the district met its 2011 API criteria. The 2011 Growth API LEA List of Schools Report reflects that the district's elementary school's API score decreased by 11 points from 763 in 2010 to 752 in 2011 and its middle school's API score decreased 34 points from 730 in 2010 to 696 in 2011. The district's elementary school's API scores have consistently been below that of Willow Creek since 2006-07, and Martin Luther King Jr. Academy, the district's middle school, has encountered the same situation since the 2004-05 school year. Those gaps have continued to widen, and Willow Creek is lauded as one of the top 10 charter schools in the state. The district has been providing additional financial assistance to Willow Creek beyond what may be legally required, while the district's students' scores decline.

In September 2011 the Fiscal Crisis and Management Assistance Team (FCMAT) received a request from the district for management assistance. The study agreement specifies that FCMAT will complete the following:

1. A comprehensive review of the central office and administrative functions which shall include board policies, administrative regulations, budget development, financial reporting, direct service options from the County Office, payroll, position control, accounts payable, purchasing and personnel. The team will also make recommendations to increase the efficiency of the school district's operations.
2. The team will review the district's budget practices including expenditures of funds from Qualified Zone Academy Bonds for the Willow Creek Academy Charter School and make recommendations, if any.

The study agreement is attached to this report as Appendix A.

Study Guidelines

FCMAT visited the district on December 1 and 2, 2011, to conduct interviews, collect data and review documents. This report is the result of those activities and is divided into the following sections:

- Executive Summary
- Internal Control
- Central Office and Administrative Functions
- Qualified Zone Academy Bonds
- Appendices

Study Team

The study team was composed of the following members:

Julie Auvil, CPA
FCMAT Fiscal Intervention Specialist
Bakersfield, California

Susan Grinsell
FCMAT Consultant
Ferndale, California

Anthony Bridges
FCMAT Deputy Executive Officer
Atascadero, California

Rory Livingston*
Assistant Superintendent Business/
Human Resources
King City Union School District
King City, California

Laura Haywood
FCMAT Technical Writer
Bakersfield, California

*As a member of this study team, this consultant was not representing his employer but was working solely as an independent contractor for FCMAT.

Executive Summary

The Sausalito Marin City School District has recently undergone major changes in its executive leadership, with both the prior superintendent and business manager having retired at the end of the 2010-11 fiscal year. Both positions were filled for the 2011-12 fiscal year; however, the district decided to share the services of the superintendent with Larkspur-Corte Madera School District. The district's new business manager was hired full-time and has many years of experience with other school districts in the state.

The district's central office has a very small staff, with only one part-time and three full-time employees and is considered a direct services district for the Marin County Office of Education. This can make it difficult to segregate duties and provide proper internal controls. FCMAT examined processes and procedures in the business office such as personnel, payroll, purchasing and accounts payable, and found controls to be either nonexistent or seriously lacking. Instances were noted where one employee handled the entire financial transaction from inception to completion. In addition, the employee would pick up warrants/pay stubs issued by the county office on the way home and keep them at home overnight. This is a serious breach of internal control that allows unregulated access to the warrants by the employee and possibly others. FCMAT has provided step-by-step procedures to help the district strengthen its internal controls. Some procedures may require the district to revise job descriptions to achieve the level of internal control that should exist to prevent fraud, misappropriation of funds or other illegal activities.

The district does not have ongoing employee fraud prevention training and also lacks fraud detection methods, leaving it vulnerable to misappropriation of district assets.

The district's small number of office staff makes it essential to cross train employees and have up-to-date desk manuals. When an employee is away due to vacation, illness, jury duty, or resigns/retires, taking these measures enables a district to smoothly conduct its normal day-to-day business.

Board policies and administrative regulations were revised extensively in February 2010; however, changes to laws and regulations require constant updates. While the district has received updates from GAMUT, the California School Boards Association's policy information service, three times each year, none have been revised since February 2010. Of particular note is that the district has not revised its board policy (BP) 3100 for Budget to comply with Governmental Accounting Standards Board Statement 54, which will be required for the district to close its books for the 2011-12 fiscal year.

Although a position control system is available in its accounting software program, the district lacks a system that plays a key role in budget development and financial reporting. The district's reliance on spreadsheets to perform this critical task places extra burdens on its business manager, makes information less reliable and presents internal control risks.

The district's budget development process historically has been performed by the business manager without the benefit of a detailed budget development calendar, board goals/objectives, position control or input from site administrators/department heads. This does not create a sense of ownership or responsibility among all stakeholders. The board should adopt annual budget goals/objectives. Further, the district should incorporate the knowledge and expertise of its site administrators/department heads in the budget development process as early as possible. Implementing such a goal requires a great deal of effort and time and may not be something that can be accomplished for the 2012-13 budget cycle.

The district has not charged indirect costs to the majority of its categorical or restricted programs in the past. This places the burden for almost all administrative costs on the unrestricted side of the budget even though the categorical programs use these services. All programs should be charged for their share of administrative costs through the application of the district's indirect cost rate.

During the district's annual financial audit for fiscal year 2009-10, the independent auditors found that neither of the district's school sites could produce teacher-certified attendance records and had to disallow all of the average daily attendance (ADA) for that fiscal year. Since Sausalito Marin City is a basic aid district, this did not affect its state aid revenue. However, the district receives revenue based on ADA for its special education programs and may have to return \$98,000. The district has filed an appeal with the state Education Audit Appeals Panel. The business manager has given explicit instructions to the district's certificated personnel as to proper attendance procedures and has instituted additional monitoring procedures; however, teachers continue to provide inaccurate and incomplete attendance records. The district needs to correct this matter immediately and take appropriate disciplinary action should employees circumvent or deviate from attendance requirements.

For the 2011-12 fiscal year, the district will receive approximately \$14,000 in funding from the county office because its small size qualifies it for direct services. This funding is being used to partially offset over \$500,000 in contractual services from the county office such as nursing, psychology and special education. Prior to entering into agreements for such services for the 2012-13 fiscal year, the district should determine whether it would be more economical to hire its own personnel.

The district has declining API scores in both its schools, declining enrollment and the operational burden and expense of two separate campuses for a 150-student population. The district should consider different site or district grade level configurations in an effort to reduce duplicate operational costs. Adding to the district's budgetary constraints are questionable payments and costs to the Willow Creek Academy Charter School, an independent, direct funded charter school for which the district is the authorizing agent. The district transfers approximately \$400,000 annually that appears to be in excess of the district's payment requirement for in-lieu taxes. These questionable items are being evaluated by legal counsel with expertise in charter school law.

The charter school shares a school site with the district's elementary school. Qualified Zone Academy Bonds (QZABs) were used to improve both the shared elementary site and the middle school site, and the use of those funds to improve a site occupied by a charter school has been in question by some district staff. While the district had no financial or legal obligation to improve the facilities leased by the charter school, the district owns the site and the expenditures were determined to be allowable under QZAB financing regulations.

Findings and Recommendations

Internal Control

The term “internal control” is clearly defined by the accounting industry as it applies to organizations, including school agencies. An organization establishes control over its operations by setting goals, objectives, budgets and performance expectations. Several factors influence the effectiveness of internal controls in an organization including the social environment and how it affects employees’ behavior, the availability and quality of information used to monitor the organization’s operations, and the policies and procedures that guide the organization.

Internal control helps an organization obtain timely feedback on its progress in meeting operational goals and guiding principles, producing reliable financial reports and ensuring compliance with applicable laws and regulations. Internal control provides the means by which an organization’s assets and resources are directed, monitored and measured, and plays an important role in protecting it from fraud, abuse or misappropriation.

All educational agencies should establish internal control procedures to accomplish the following:

1. Prevent internal controls from being overridden by management.
2. Ensure ongoing state and federal compliance.
3. Provide assurance to the governing board that the internal control system is sound.
4. Help identify and correct inefficient processes.
5. Ensure that employees are aware of the expectation that proper internal controls will be utilized.

Internal control has five components:

- **Control Environment** is the tone of the organization and influences the behavior of its people. It is the foundation for all other components of internal control.
- **Risk Assessment** identifies and analyzes the risks that the organization will not achieve its objectives. This component forms the basis for how these risks should be managed.
- **Information and Communication** require systems that identify, gather and exchange information in a format and a time frame that enable the people in the organization to successfully perform their duties.
- **Control Activities** help ensure that management directives are carried out. Control activities are also designed to discourage errors or irregularities from occurring or find them after they have occurred.
- **Monitoring** is used to assess the quality of internal control performance over time.

Each person in an organization is responsible for internal control in some capacity because nearly everyone either produces information used by the internal control system or takes action to

implement organizational control. Further, each individual within the organization should take responsibility for appropriately communicating problems in operations, noncompliance with policies or illegal actions. Ultimately, internal control should pervade every level of the organization; however, district administrators and program managers, governing board members and auditors have particular roles to play.

The superintendent, as the visionary and chief executive of an organization, sets the organizational tone. This tone influences all decisions and activities of an organization and the control consciousness of its employees. Factors that contribute to a positive control environment include integrity, ethical values, management philosophy and operating style, organizational structure or configuration, assignment of authority and responsibility, and employee expertise and proficiency.

The chief business official oversees the integration of all five internal control components into one cohesive structure. The administrative team provides leadership and direction to managers and reviews and gives them feedback on their internal control decisions. In turn, the managers assign the responsibility for establishing specific internal control policies and procedures, control activities and monitoring to the personnel responsible for unit functions.

The governing board works as a group to provide governance, guidance and oversight. Individual board members particularly enhance the control environment when they are informed, free of bias, inquisitive, conduct themselves in a principled and ethical manner and expect the same standard of conduct from everyone in the organization.

Independent auditors assess whether the controls are properly designed and implemented, and monitor whether the controls are working effectively. They also make recommendations for improving internal controls.

The district has recently undergone sweeping changes in its leadership, with both the superintendent and business manager/chief business official (CBO) having retired and new employees having filled those positions. As is common, changing leadership brings new ideas and approaches to how processes should be performed. Although changes in district leadership can be stressful, employees interviewed by FCMAT were generally engaged, thoughtful, open and responsive. Many came to the interviews with recommendations for improving the district's systems, processes and efficiency. However, district staff reported that the organization's culture is "isolated" and lacking in communication both inside and outside of the organization.

The district should solicit feedback on current communication practices; provide a set of guidelines for effective communications within and between departments; establish a variety of communication avenues such as employee surveys, meetings, an e-mail "suggestion box," develop communication networks such as Facebook or Twitter; implement regular communication from the superintendent regarding the district's vision, plans, goals, and challenges; and encourage attendance at meetings or trainings outside of the district. Clear contact points, such as a manager or a specific staff member, should be designated for particular issues. Increasing opportunities for coordination between all employees in the district and with professional colleagues outside the district will promote a stronger association with goals and objectives and an understanding of challenges that are common throughout public education in California.

FCMAT found that the district's control environment was not well defined and was lacking throughout the organization. The district has adopted board policies regarding a code of ethics and professional standards, but in most instances there are no written policies and procedures regarding internal controls. Assistance with the district's written policies and procedures as they relate to district office functions is one focus of this report and will give a point at which to start imple-

mentation. The district's control environment would be further strengthened by communicating to employees the expectations of compliance with all policies and procedures, code of ethics and standards of conduct as well as control environment philosophies. These philosophies include:

- Personal and professional leadership is based on the highest levels of integrity.
- The leadership philosophy and operating style promotes internal control throughout the district.
- Accountability is enhanced by assignment of authority and responsibility at the highest possible level.
- The district's policies and procedures reflect its internal control objectives and are strictly followed.
- All employees know and understand district policies and procedures as well as those specifically related to school sites or departments in which they operate.
- Employees are aware of their internal control responsibilities.
- Fraud (embezzlement, stealing, misuse of equipment, technology or supplies, etc.) and conflicts of interest are not tolerated.
- Employees are responsible to continually self-monitor operations and job performance.

Occupational fraud is a global problem in today's business environment. A recent study by the Association of Certified Fraud Examiners concluded that organizations lost up to 5% of their annual revenue to fraud. The sectors most commonly victimized in the study included government and public administration. The study, completed in 2010, examined 90 cases in education, which represented 5% of the total cases included in the study. The median annual loss amount for the education organizations studied was \$71,000. Given the high costs of occupational fraud, all organizations should have a strong fraud prevention and detection program in place.

Fraud and the misuse of physical or cash assets occur when three factors converge: pressure or motive, opportunity, and rationalization or lack of integrity. This is known as the "fraud triangle." When two of the three factors are present, the probability that fraud will occur increases. When all three factors are present, it is almost certain that fraud will occur.

The opportunity for fraud varies throughout the district depending on the duties assigned to an employee. Rationalization and lack of integrity are more likely to be present in organizations that do not implement and/or promote anti-fraud policies.

Ongoing employee education can help prevent and detect occupational fraud. However, the district does not have an employee training and awareness program. In-depth employee training should be provided regularly regarding what constitutes fraud, how it hurts everyone in the organization, widely found fraud schemes and common behavior signs. Employees should have multiple avenues for reporting improprieties and should be encouraged to not ignore warning signs. Risk awareness training about suspicious situations that merit reporting will help create a district-wide culture that supports appropriate reporting.

The district should also implement common fraud detection methods such as an anonymous employee hotline, surprise audits or fraud risk assessments. The knowledge that someone is checking or could anonymously report suspicious behavior can deter fraudulent activity.

As is common in smaller districts, the risk assessment component of internal control at Sausalito Marin City has been assigned to its independent auditors as part of their annual audit. However, the scope of the auditors' review is limited to consideration of internal control as a basis for designing audit procedures. Consequently, independent auditors do not express an opinion on the effectiveness of the district's internal control and they should not be the only tool used by the district for monitoring internal controls.

The study team reviewed the district's independent audit reports for the past three fiscal years. Both the 2009 and 2010 audit reports identified material weaknesses in internal control over financial statement reporting and compliance with federal and state programs. Such weaknesses could result in a material misstatement of the financial statements or in material noncompliance with a program requirement because the district's internal control could not prevent, detect and correct problems in a timely manner. Further, the audit reports for all three years cite instances of significant deficiencies in internal control. Some of these findings and recommendations occur in more than one year, such as the ongoing deficit spending pattern in the cafeteria fund. Findings and recommendations from the independent auditors require a district response, and Education Code (EC) Section 41020.3 also requires that the board review any audit exceptions or management letter findings or recommendations, descriptions of corrective actions or plans to correct items. Consistent review and follow-up by the board on audit findings and exceptions will help strengthen the district's control activities.

The following basic concepts and procedures help to ensure a strong internal control structure exists:

- **System of checks and balances** – Formal procedures should be implemented to initiate, approve, execute, record and reconcile transactions. The procedures should identify the employees responsible for each step and the time period for completion. Key areas requiring checks and balances include payroll, purchasing, accounts payable and cash receipts.
- **Segregation of duties** – Adequate internal accounting procedures must be implemented and necessary changes made to segregate job duties and protect the district's assets. No single employee should handle a transaction from initiation to reconciliation and no single employee should have custody of an asset, such as cash, and maintain the records of its transactions.
- **Staff cross-training** – More than one employee should be able to perform each job. Each staff member should be required to use accrued vacation time during which another staff member is assigned to perform those duties. Inadequate cross-training is often a problem regardless of the size of an organization.
- **Use of pre-numbered documents** – Checks, cash receipts, purchase orders, receiving reports and tickets should all be printed by an entity independent of the district. Physical controls should be maintained over the check stock, cash receipt books and tickets. It is not sufficient to simply use pre-numbered documents without an independently reconciled log of numbers.
- **Asset security** – Cash should be deposited daily, and other property of the district such as computers and other equipment should be secured. Access to supplies, including but not limited to stores, food, tools and gasoline should be restricted to designated employees.

- **Timely reconciliations** – Bank statements and account balances should be reconciled monthly by an employee independent from the individual assigned the original transaction and recording process. For example, a central office employee should reconcile Associated Student Body accounts (ASB) every month; the office employee reconciling the revolving checking account should not be the same person who maintains the check stock.
- **Comprehensive annual budget** – The annual budget should include sufficient detail for revenue and expenditures by school site, department and resource to identify variances and determine whether financial goals were achieved. Material variances in revenues and expenditures should be investigated promptly and thoroughly. This includes ensuring that potential revenues and expenditures from ASB funds are identified at the start of each year.
- **Inventory records** – Inventory records should be maintained that identify the items and quantities purchased, sold or designated as surplus. Physical inventory should be taken periodically and reconciled with inventory records. Inventoried items particularly susceptible to misappropriation include: computer equipment, warehouse supplies, food service commodities, maintenance and transportation parts and student store goods.

With the departure of two long-term key employees, the district has identified the need to document business processes and procedures and to cross train business and central office clerical staff. Cross training in a very small district can be challenging. However, at least one additional employee should be trained for each position so they can temporarily perform critical duties in the event of illness, vacation or resignation. This will enable the district to continue essential business office functions without interruption.

The district lacks desk manuals that include step-by-step procedures for business-related job duties. Desk manuals ensure consistent application of internal controls and designate the responsibilities that each position(s) holds relative to internal control.

Similarly, a business department policies and procedures manual provides an opportunity to plan and diagram internal controls and written standards for the business office, school sites and other district departments to follow. Desk manuals and business department policy and procedure manuals are especially helpful for new staff. They can provide training, help preserve institutional knowledge, and effectively document and monitor segregation of duties district-wide. These manuals should be made available to the district office, school sites and other district departments to assist with processes and standards regarding business transactions and best practices.

Departures of long-term staff often require new staff to frequently access district records. With the retirement of the former superintendent and business manager, staff reported difficulties in accessing the district's electronic records, business records were not organized effectively and historical information was not readily available. This required staff to spend excessive amounts of time to fulfill FCMAT's documentation requests for this study. In some cases, these efforts were futile or produced minimal results. Each employee should bear the responsibility for safekeeping, organizing, and ensuring access to important records related to their duties. Each employee's supervisor should oversee their work performance in this area. There are various effective methods of organization of documents that the district can follow. The California Education Code, California Administrative Code – Title 5, Commercial Code and Government Code all provide record retention guidelines for school agencies. The California Administrative Code – Title 5, Sections 16020-16027 categorize records into classes based on specific criteria.

- **Class 1 – Permanent Records.** The original, or one exact copy, unless microfilmed shall be retained indefinitely. These records are described in Section 16023 and include, but are not limited to such items as all J-forms, most payroll records, and the summary of expenditure and construction progress.
- **Class 2 – Optional Records.** Not required by law to be retained permanently but deemed worthy of further preservation as specified in Section 16024. This classification includes but is not limited to the consolidated application, architect agreements and vendor files.
- **Class 3 – Disposable Records.** Required retention periods and procedures vary for destruction or transfer of records as specified in Section 16025 and include such items as purchase orders, requisitions and garnishments.

Each employee should be given training and dedicated time, as needed, to ensure that they understand their responsibility for records retention and to ensure compliance with the records retention requirements of Title 5, Sections 16020-16027.

Recommendations

The district should:

1. Improve communication practices, identify measurable objectives and implement strategies to achieve those objectives.
2. Communicate to every employee the expectation of compliance with all policies and procedures, code of ethics and standards of conduct.
3. Develop and implement ongoing employee fraud prevention training programs.
4. Develop and implement fraud detection methods.
5. Review and follow up on any audit exceptions or management letter findings or recommendations, descriptions of corrective actions or plans to correct items.
6. Ensure that employees are cross-trained in all key areas of responsibility.
7. Develop desk manuals of employee duties; ensure that each employee includes step-by-step procedures for all assigned duties in their desk manual.
8. Create a policies and procedures manual for the business department.
9. Ensure that each employee understands their responsibility for records retention. Provide education and dedicated time, as needed, to ensure the district complies with the record retention requirements specified in Title 5, Sections 16020-16027.

Central Office and Administrative Functions

Board Policies and Administrative Regulations

Board policies (BPs) and administrative regulations (ARs) are based on state and federal laws and regulations, case law and district practice. Board policies and regulations provide guidelines and directives by which a district and its staff operate, and are a key component of internal controls. Because they are based on laws and regulations that are revised frequently, board policies should be updated to reflect those changes.

The district's board policies and administrative regulations were extensively updated in February 2010. However, due to subsequent legislation, many policies and regulations no longer comply with current laws and are therefore out of date. A few examples are provided below:

Reference Number	Description	Date Update Needed
1250 BP & AR	Outside Visitors	7/10
1312.4 AR & E	Williams Uniform Complaint Procedures	11/10
2210 BP	Administrative Discretion Regarding Board Policy	7/11
3290 BP	Gifts, Grants and Bequests	7/11
3320 BP & AR	Claims and Actions Against the District	3/10
3516.3 AR	Earthquake Emergency Procedure System	3/11
3550 BP& AR	Food Service/Child Nutrition Program	3/11
4020 BP	Drug and Alcohol-Free Workplace	11/10
4158 BP	Employee Security	3/11
4257 BP	Employee Safety	3/10
5022 BP & AR	Student and Family Privacy Rights	3/11
5113.1 BP	Truancy	11/10
5117 BP & AR	Interdistrict Attendance	11/10
6011 BP	Academic Standards	11/10
6111 BP	School Calendar	7/11
6158 BP & AR	Independent Study	7/10
6161.1 BP, AR & E	Selection and Evaluation of Instructional Materials	11/10
6164.4 BP & AR	Identification and Evaluation of Individuals for Special Education	11/10
9140 BB	Board Representatives	3/11
9323.2 BB	Actions by the Board	3/11

BP 3100, Budget, also needs immediate attention. On March 11, 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which changed the way fund balances are reported. Under GASB 54, fund balances are reported as restricted, committed, assigned or unassigned. Pursuant to GASB 54, the board has the sole authority to specify the purposes of funds as "committed" and must also express, or delegate the authority to express, the intended purposes

of any fund balance reported as “assigned.” This new financial standard is effective for fiscal years beginning after June 15, 2010. FCMAT’s review of BP 3100 indicates that the board policy has not been updated to include this new standard, and board action will be required for district administration to close the books for the 2011-12 fiscal year.

FCMAT also found that:

1. Many of the district’s administrative regulations regarding personnel (the 4000 series) were not available on the website because the superintendent and board have questioned whether it was appropriate to place these policies on the website. The district has turned these questions over to legal counsel.
2. No board policies or administrative regulations regarding facilities (the 7000 series) were available on the website due to a board member’s request to review them prior to posting. There has been no further communication from the board member who requested the additional review time.
3. The district has been contracting with and paying the California School Boards Association (CSBA) for the use of the GAMUT online policy service, but has not adopted some board policies and administrative regulations provided through the online service. These may be unnecessary, but all online policies and regulations should be reviewed for relevance. A few examples are provided below:

Reference Number	Description	Updated
1330.I BP	Joint Use Agreements	2/10
3430 BP & AR	Investing	3/05
4031 AR	Complaints Concerning Discrimination In Employment	3/10
5118 BP, AR & E	Open Enrollment Act Transfers	11/10
5119 BP	Students Expelled From Other Districts	3/07

The district receives GAMUT’s periodic updates, but they have been set aside because staff has not had the time to review the policies and include the district’s practices.

Based on the number of policies and administrative regulations that require updating, the district may want to use CSBA’s Policy Audit Program to identify policies that are missing or out of date and attend the CSBA policy development workshop to complete the review and update.

Recommendations

The district should:

1. Take immediate board action to update BP 3100 to comply with Governmental Accounting Standards Board (GASB) Statement No. 54.
2. Update all board policies and administrative regulations by the end of the fiscal year. Consider using CSBA's Policy Audit Program and policy development workshop to facilitate this endeavor.
3. Develop and implement a protocol to ensure future required changes to board policies and administrative regulations are adopted by the district in a timely fashion.
4. Ensure that all board policies and administrative regulations are posted to its website.

Budget Development

Good budget development processes, ongoing monitoring and adjustments to the financial plan of any educational entity are essential to providing responsive and high quality services to students and communities. This has been especially true during the nation's deep recession and reductions in California's budget that have resulted in substantial cuts to education over the past four years.

School districts in California adopt their annual budgets in accordance with the statutory timelines established by EC Section 42127, which requires that on or before July 1 each fiscal year, the governing board holds a public hearing on the budget for the subsequent fiscal year. No later than five days after that action, or by July 1, whichever comes first, the governing board must file the adopted budget of the district with the county superintendent of schools. The district's staff reported and its budget documents confirm that the district has historically met these timelines.

A district's budget should reflect its goals and objectives, which are developed annually and approved by the board. However, the district did not adopt annual goals and objectives for 2011-12. Formal action by the governing board, along with input from internal and external stakeholders, to adopt annual goals and objectives provides district staff responsible for budget development valuable insight and information about the board's aspirations for district programs, services and use of financial resources.

While the board's goals and objectives change annually to address student and community needs or for economic reasons, guiding principles, which can also be adopted by a governing board, generally represent an unwavering dedication to the wise use of taxpayer dollars, provide a framework for decisions and reflect the district's financial commitments. Board adoption of appropriate guiding principles will focus discussions and related activities at all levels of the organization on these ideologies and become particularly helpful during annual budget development. A sampling of guiding principles follows:

- All programs and services are self-supporting utilizing the federal, state and local funds specifically allocated for those purposes unless the use of other available funds to support these programs is authorized by the governing board.
- Ongoing expenses are tied to ongoing revenues; one-time revenues may be used to cover planned excess costs occurring within the budget year.
- Restricted/categorical programs are self-sustaining, which includes providing sufficient resources to support all related administrative (direct and indirect) costs unless the governing board makes a specific exemption or legal restrictions specify otherwise.
- Staffing levels are adjusted in each program/service area to align with changes in pupil enrollment, level of service demands and available revenues.
- To help ensure ongoing fiscal stability, a minimum amount of cash and unrestricted general fund balance reserve is specified and maintained.
- Reserve funds may be used to support program priorities providing that a plan is developed to restore those reserves in future years.

Budget development is a detailed process that can begin as early as November or December of the preceding fiscal year. An annual budget development calendar is a key tool for organizing the process. The business manager retired in summer 2011, and the new business manager was given a new computer. Many documents are either no longer available from the former business manager's computer, or they do not exist except in paper form. The new business manager was not able to provide FCMAT with a prior year budget calendar but has drafted a calendar that has been presented to the board for approval. In FCMAT's review of this draft calendar, it was noted that many groups and constituents are included in the budget development process along with the months in which tasks are to be completed. However, an effective calendar should include specific critical tasks and their deadlines, and identify the staff member responsible for the successful completion of each task. For example:

Date	Task	Person Responsible
3-8-12	Draft position control to business manager	Assistant to business manager
3-12-12	Revisions to position control to assistant	Business manager
3-15-12	Position control complete	Assistant to business manager
4-6-12	Budget reports to sites/departments	Assistant to business manager
4-27-12	Budget reports due from sites/departments	Administrators
5-18-12	Entry of budget lines into model	Business manager
5-21/22-12	May Revise Workshop	Business manager
6-1-12	Revisions to model and balance all resources	Business manager
6-13-12	SACS forms complete	Business manager
6-13-12	Publication of notice of inspection	Marin COE
6-14-12	Public hearing for flexibility funds	Business manager
6-18-12	Budget available for public inspection	Exec. assistant to superintendent.
6-25-12	Board agenda posted	Exec. assistant to superintendent
6-28-12	Board meeting to adopt budget	Board

Budget development can be a centralized or decentralized process. For Sausalito Marin City, budget development has been centralized and primarily the responsibility of the district's business manager. Although having a single staff member create the budget may speed its development, best business practices include site administrators and department managers in the process. This helps create a sense of shared ownership and responsibility, and a deeper understanding of budgetary issues that can lead to fewer, less material budget adjustments throughout the year. A district's administrators and managers have invaluable in-depth knowledge, past experience and expertise in their individual school and support program needs and operations. They are also responsible for implementing programs and services and managing their results. For these reasons, the district should consider decentralizing its budget development process.

Implementing a budget process that includes sites and department staff requires a significant initial effort. Given the business manager's other responsibilities, it may not be feasible to implement in time for the 2012-13 fiscal year. However, the district should include site administrators/department heads in the process to the extent possible. A fully inclusionary process would require the business office staff to develop training materials, provide a budget workshop to all administrative staff responsible for program or service management, and be available to assist and answer questions as work progresses. Budgetary tools that will allow site administrators and department managers to become more involved in budget development and become more accountable for their programs' fiscal performance include:

- Budget development worksheets by funding resource that are the responsibility of the appropriate site administrator or department manager. Completed worksheets should include total projected revenues, personnel costs and all operating expenditures as well as the source of funding for any encroachment.
 - Revenue estimates provided by the business office.
 - Ongoing staffing expenditures provided by the business office. The site/department should be provided with position control reports that include a list of all employees charged to each funding source, their salary, related statutory and health benefit costs and full-time equivalent (FTE) assignment. Site and department managers should review the staffing information for accuracy and immediately report any inconsistencies to the business office. This helps to verify the position control database, which affects the personnel costs to be budgeted.
 - If staffing adjustments are requested, an Excel spreadsheet should be provided to aid in calculating total salary and benefits.
 - Total indirect costs would be provided by the business office.
 - The site administrator or department manager should supply all remaining expenditures, including operating costs.
 - Many districts also require a written explanation to accompany a request for increased expenditure.
- Online, read-only access to the financial software system, which allows access to current financial information and saves staff time.
- Initial and ongoing training programs for site administrators and department heads on accessing financial information electronically, reading and understanding that financial information, effective use of categorical funding and indirect cost rates.

The basic framework for the budget comes from the governor's annual budget proposals in January and May and the board's goals and objectives for the upcoming year.

Estimated revenues and projected expenditures are based on a set of assumptions. Revenue estimates should be built on the best information available for each funding stream and come from such sources as the governor's January budget proposal/May Revise, California Department of Education (CDE), School Services of California dashboard, grant letters, county office of education (COE) estimates, revenue limit calculations, property tax estimates from Marin County, etc. Revenue limit resources provide most of the funding for school districts. School districts are either revenue limit districts that receive most of their funding from a formula derived from average daily attendance, or are basic aid districts whose property tax revenues exceed the state aid revenue limit calculations. Sausalito Marin City is a basic aid school district and, therefore, relies heavily on the estimates of local property taxes provided by Marin County.

Enrollment estimates also are made in budget development. Vendors that specialize in student demographic analysis can assist in providing this information. Some districts utilize birth rate statistics to estimate kindergarten enrollments and the cohort survival method for the remainder of the grades. The cohort survival method groups students by grade level upon entry and tracks them through each year that they stay in school. This method evaluates the longitudinal relationship of the number of students passing from one grade to the next in a subsequent year. This closely accounts for retention, dropouts and student transfers to and from the district grade by grade. Although other enrollment projection methods are available, the cohort survival method usually is the best choice for school districts because of its sensitivity to incremental changes in several key variables.

The district's estimated enrollment determines its staffing needs, and those needs are translated into the district's position control module. Position control is updated each year during budget development to reflect employee separations such as retirements, resignations, or layoffs, as well as the natural step and column movement of its employees. The district will also receive notifications of changes to statutory benefits such as unemployment insurance, workers' compensation insurance, state disability insurance, etc. and will communicate with its health insurance carriers to obtain estimates of increases in those benefits. In good financial times, the district may also include new positions. All of these changes are then incorporated into position control.

Other expenditures for books, supplies, materials, utilities, professional services, etc. are either based on estimates provided by site administrators/department heads or on contractual obligations, board goals or assumptions founded on a base year – such as an assumption that utility costs will rise by 5% over the prior year or fuel expenditures for district home-to-school transportation will rise by 15% in the coming year.

Budget assumptions can change quickly. While some districts obtain board approval of budget assumptions, there is no statutory requirement to do so. In fact, there may not be sufficient time between learning of a change in an assumption and putting it into the budget to obtain board approval. However, written budget assumptions should be provided to the board with each reporting period whether or not the board approves them in advance of budget adoption. Board involvement in the budget development process is crucial, and the district's draft budget development calendar reflects the administration's commitment to that goal.

As revenue and expenditure estimates are made during the budget development process, this information is entered into the district's accounting software system from Quintessential School Systems (QSS). QSS has a module that allows the district to construct a model of the budget

outside of the ledgers and accounts that the district uses daily. With the use of the position control module in this process, once all of the changes have been made to positions, a series of keystrokes brings the budgets for salaries and benefits into the budget model. Completing the model is then a process of analyzing each resource/program to ensure that expenditures, including indirect costs, do not exceed revenues. Programs requiring revenues in excess of what they will earn (known as encroachments or contributions) should be individually assessed by the executive leadership team and governing board against a set of consistently applied criteria. The governing board, working with the executive leadership team, should approve encroachments of specified amounts along with the source of additional revenue, by funding source, prior to budget adoption.

Fundamental to an effective budget development and monitoring process is a district-wide culture in which the governing board and administrators understand critical budget components and strive to maintain programs in the context of a balanced budget. A best practice for budget development is not to consider estimated carryover balances from the current year in the process because the year that would produce the carryover has not yet officially closed. Circumstances may arise where the amount designated as carryover is needed in the current year.

When each resource in the model has been reviewed and indirect costs applied and balanced, the model is then moved into the working budget of the adoption budget year. The information is exported into the CDE's Standardized Account Code Structure (SACS) forms for presentation to the board for adoption during the required public hearing. Most districts also have additional information/spreadsheets that they add to the adoption budget that are unique to their board's needs. These are discussed in other sections of this report. Timing the finalization of the budget should allow for the public inspection and publication requirements of EC Section 42103 and should be reflected in the district's annual budget calendar.

In addition to the public hearing required for adoption of the district's annual budget, Senate Bill 4 of the 2009-10 Third Extraordinary Session (SBX3 4) included several changes to law and provided local educational agencies (LEAs) with unprecedented budgeting flexibility. As a condition for receipt of Tier III flexibility funding under SBX3 4, an LEA must take testimony from the public, discuss and approve or disapprove the proposed use of funding, and explicitly state at a regularly scheduled public hearing the purpose for which the funds will be used. The bill allowed the public hearing to take place at the governing board meeting that includes the budget adoption. On October 8, 2011, Governor Brown signed Assembly Bill 189, which now requires that the public hearing required as a condition of receiving Tier III funding is held prior to and independent of the meeting where the governing board adopts its budget.

During budget development, district administration should conduct study sessions for the board to include them in the process and allow them to understand the district's budget in more detail. January sessions could include a review of the multiyear projection from the district's first interim report, the underlying assumptions that produced the multiyear projection, and its projected results for the current and two subsequent fiscal years. This could then be compared to enrollment projections that may affect staffing, student programs or categorical program funding. Discussions about changes to preliminary budget assumptions could continue in February once the governor's budget proposal is available and staff have had the opportunity to fully analyze its impacts.

Board meetings should include periodic updates regarding budget development progress. These updates should be standardized in format and content, with an emphasis on changes that have

occurred since the previous update. Standardized updates will allow efficient use of staff time, comparability of information over time, and in-depth understanding of the information.

The district should perform a periodic assessment of its fiscal health to help ensure its viability. FCMAT has developed a Fiscal Health Risk Analysis to evaluate key fiscal indicators of fiscal solvency for the current and two subsequent fiscal years. A copy is attached as Appendix B.

Budget Monitoring

All stakeholders should recognize that budgets are not static and continue to change throughout the fiscal year. The projected revenues, expenditures and ending fund balances will change during the year for many reasons including changes in state and federal funding levels, changes in personnel needs, subsequent negotiated settlements or unanticipated operating expenditures. Maintaining an operating budget that accurately reflects the current financial condition will provide decision-makers throughout the organization with the information needed to take appropriate action to ensure program quality and fiscal stability throughout the fiscal year.

Interviews with district staff and governing board members revealed a district-wide culture to routinely increase expenditures throughout the fiscal year regardless of their effect on the district's financial plan or fiscal position. There is a general expectation that expenditures above the level provided for in the district's operating budget will be funded from unrestricted reserves. Reacting to each request as it arises rather than assessing them proactively in conjunction with district goals, objectives, guiding principles as well as performance outcomes and cost effectiveness makes it difficult to address the needs of all students throughout the district equitably. More importantly, this practice makes it difficult to ensure that the operating budget reflects all expected financial activity of the district and sustains the district's financial solvency.

Best budget monitoring practices include presenting regular and frequent budget revisions to the governing board for approval. These are most often presented as budget transfer entries/adjustments into the district's accounting system. While the district includes them in the board agendas containing their periodic financial reports (i.e., interims, unaudited actuals, budget adoption), some districts provide them to the board monthly. The appropriate interval is a local decision, and the district should ensure that the board understands the information presented and how it affects the district's financial position.

Site administrators and department managers should frequently review pertinent financial information to determine necessary adjustments to revenues and expenditures, and communicate them to the business office in a timely fashion so that budget transfers can be approved and entered into the accounting system and board materials can be completed. Adopting such a system would streamline the process and increase efficiency.

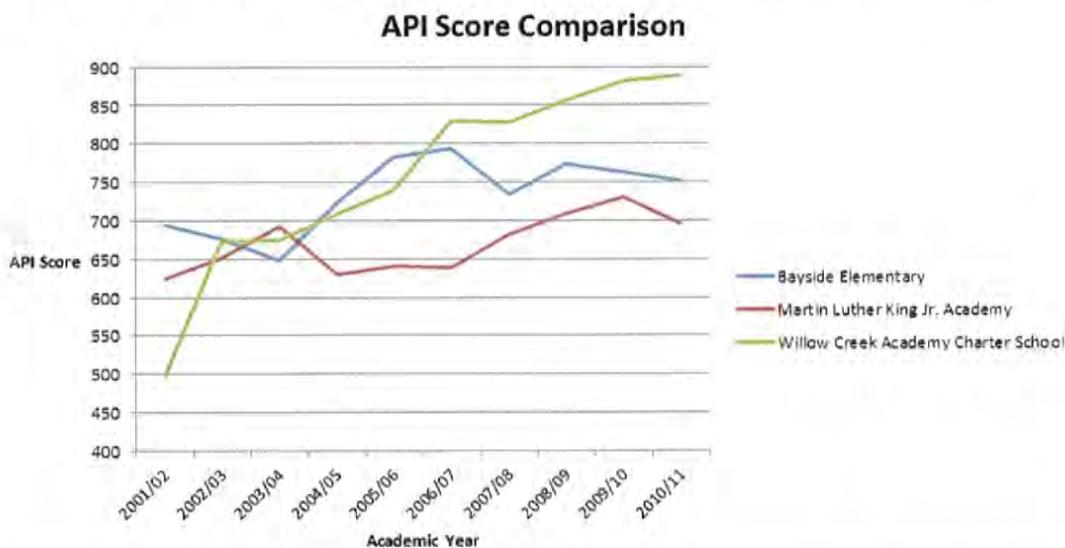
Other Related Issues

The district has experienced declining enrollment over the last decade. It reported CBEDS enrollment of 226 for the 2001-02 fiscal year. The CBEDS enrollment for 2010-11 was 171, decreasing to 146 in 2011-12. The district is basic aid funded, and while the fiscal pressures caused by declining enrollment may not be as great as for districts funded on a revenue limit formula, some sources of revenue, such as special education, lottery and K-3 class size reduction funding, are enrollment/ADA-based. The district projects that federal and state revenue, which are generally based on ADA or other indicators of student population, will make up over 17.8%

of the district's general fund revenues in 2011-12 and will be subject to the elimination of home-to-school transportation revenues in 2012-13 if the governor's proposed January budget is implemented. Additionally, as students leave the district to attend the nearby district-authorized charter school, which reports substantially higher API scores, this increases the amount of in-lieu property taxes sent to the charter school and decreases the district's revenues.

The district is also subject to other pressures caused by long-term declining enrollment and very small student populations. Providing high-quality programs and services for small numbers of students on school sites that were built to house many more students can be especially difficult. The district operates two campuses: Bayside Elementary for grades K-4 and Martin Luther King Jr. Academy (MLK) for grades 5-8. Bayside houses about 90 students and MLK houses about 56. School site administrators and support staff are required for each site, and each site incurs maintenance and operating expenses. The district would likely realize substantial savings by closing one of the two campuses and housing all its students in one location. This is a difficult subject to broach because governing boards, staff, students, parents and other community members often strongly identify with their neighborhood public school and are loyal and dedicated to it.

However, the resources that are used to keep two campuses open and the additional funding that is being provided to the district-authorized charter school, Willow Creek Academy (WCA) in excess of the required in-lieu tax amount may be more effectively utilized in addressing the district's Academic Performance Index (API) scores allowing the district to augment its instructional programs and strategies such as providing academic coaches, tutoring services, software, online courses/services, etc. as well as full-time administrators to plan and guide these efforts such as the superintendent and an instructional assistant superintendent or director. The district has seen its district-wide API score fall 17 points, an 11 point decrease at Bayside and a 34 point decrease at MLK from their 2010 base. In contrast, WCA was recently recognized as one of the 10 top performing charter schools in the state. WCA has API scores that have been consistently higher than Bayside since the 2006-07 school year and higher than MLK since the 2004-05 school year, as shown by the following graph:



MLK had been making positive progress in its scores; however, the recent drop in API at MLK puts the school below a score of 710 and may place it at risk of entering PI status. The operation of two small schools and the additional financial assistance provided to WCA, along with

shrinking enrollment and fiscal pressures such as those related to the possible loss of home-to-school transportation funding and the district's potential increase in in-lieu property tax payments to the charter school, should compel the district to seek budgetary savings.

In a preliminary analysis, the district found it could save approximately \$800,000 in the first year of operation by housing all students in one facility. The district should develop a multi-step plan to be shared with all stakeholders and to evaluate the advantages and disadvantages of different school site and district grade level configurations. Supporting high achievement for all district students and effective use of the district's financial resources should become the common ground for discussion and long-term planning.

Regardless of the action that the district does or does not take regarding its operation of two school sites, staffing should be commensurate with the district's and students' needs and not based on past practice. Determining the proper staffing ratios can be based on many factors such as the number of students, square footage of facilities, number of teachers, and comparisons with similarly sized districts. District administrators reported they are unaware of any formal staffing study conducted by or for the district, and based on the district's changing student population as well as possible reductions in categorical funding, the district should consider commissioning a study to determine its appropriate staffing needs for both certificated and classified employees.

The district is the authorizing agency for the WCA, an independently operated, direct-funded charter school organized as a not-for-profit organization under Internal Revenue Code 501(c)(3). A "dependent" charter school functions as another school of the authorizing agency with its financial records within the district's accounts, whereas an independent agency keeps its accounting records separate from the district's. In the case of WCA, they are not to be treated as another school in the district but as an independent agency. The term "direct funded" refers to WCA's election under EC Section 47651 to receive its state funding directly as opposed to having it flow through the district. As a 501(c)(3) entity, WCA is also responsible to provide for its own annual audit that should not be combined with the district's annual audit. However, as WCA's authorizing agency, the district does have oversight responsibilities.

The California Education Code provides for both general purpose and categorical funding to all charter schools based on an estimated average daily attendance (ADA) formula by grade level of the students who attend the school. However, as a basic aid district, Sausalito Marin City pays the lesser of the district's average property taxes per ADA or the charter general purpose block grant per ADA to the charter school (EC Section 47635). Charter schools also receive a discretionary block grant that represents categorical funding from roughly 45 restricted programs. Like school districts, charter schools can receive additional funding for pupils who are English learners and/or who come from families with low income levels, and can apply for class size reduction funding, federal grants and facilities funds. Charter schools are also eligible to participate in their Special Education Local Plan Area (SELPA) and receive funding and services for the special education student population in the charter school.

Employees from multiple district locations questioned the relationship of the district to WCA, district funds going to WCA and services provided to WCA. The Education Code delineates the fiscal relationship between charter schools and authorizing agencies. EC 47614 regulates the sharing of public school facilities. Authorizing agencies are given the authority to charge for supervisory oversight and charter schools are given the authority to separately purchase administrative or other services from the authorizing agency in EC 47613. As noted above, EC 47635 sets forth the provisions for the transfer of in lieu property taxes from the authorizing authority,

and EC 47636 appears to provide for both parties to negotiate some other in lieu property tax amount.

District employees, board meeting minutes and interim report multiyear assumptions noted that district funds have been transferred to WCA annually as “supplemental grant funds” that may exceed the requirements of EC Sections 47613, 47614, 47635 and 47636. District employees and interim report multiyear assumptions noted that district funds have been transferred to WCA for equipment purchases, and may exceed the requirements set forth by EC 47614.

Inquiries of district staff regarding fees for services provided to WCA by the district revealed that services such as special education, utilities and custodial operations either have not been assessed by the district or possibly have been forgiven, which may violate EC Section 47613. The district and its legal counsel are reviewing any excess funds provided or payments made to the charter school that exceed the in-lieu property tax amount per Education Code Sections 47613, 47614 and 47635-36.

Recommendations

The district should:

1. Annually adopt and communicate board approved budget goals and objectives.
2. Implement a set of board-approved guiding principles outlining the district’s financial priorities for use in decision making.
3. Prepare a formal budget development calendar, including critical tasks, deadlines and the staff member assigned. Obtain annual approval of the calendar from the governing board.
4. Implement a budget development process that includes site administrators and department managers and holds them accountable to stay within their budget.
5. Prohibit other fund or restricted program encroachment without the express support of the district’s executive leadership and the governing board.
6. Prohibit the inclusion of carryover balances during budget development.
7. Ensure that the required public hearing regarding receipt of flexibility funding for the 2012-13 budget year and subsequent years is held prior to and independent of the annual public hearing for budget adoption, and that the explicit purposes for use of the Tier III funding is included in the board’s agenda and minutes.
8. Conduct budget study sessions for the governing board and all interested stakeholders during budget development and bring periodic updates to the board during the process.
9. Periodically assess its fiscal health to help ensure its viability.

10. Assess all requests for expenditures for goods and services not included in the current governing board approved operating budget through a formal protocol using criteria such as annual goals, objectives, guiding principles, cost effectiveness, available resources, other district needs and performance expectations to ensure financial resources equitably support all district students.
11. Provide regular and frequent budget revisions to the governing board for approval.
12. Consider online, read-only access to financial information by site administrators and department managers, training on budget monitoring techniques and preparation of budget transfers, electronic distribution of draft budget transfers to the business office, and a calendar of deadlines for budget revisions due to the business office.
13. Develop a multi-step plan, open to all stakeholders, to evaluate the advantages and disadvantages of different school site and district grade level configurations.
14. Consider commissioning a study to determine appropriate staffing levels for both certificated and classified employees.
15. Continue to seek legal counsel with expertise in the area of charter school law to evaluate the supplemental funding and services provided by the district to the WCA charter school.

Financial Reporting

The California Education Code and Government Code prescribe the content, format and timelines for reporting school district financial information. Code sections stipulate requirements for an annual adopted budget (EC 42127), an update of the budget within 45 days after the governor signs the annual Budget Act (EC 42127(i)(4)), an interim report as of October 31 and January 31 of each year (EC 42130), an unaudited actuals report as of the end of each fiscal year (EC 42100), audited financial statements prepared by independent auditors (EC 41020 and 41020.3) and other miscellaneous reports including the disclosure of costs associated with collective bargaining agreements (GC 3547.5).

Based on the documents supplied to FCMAT and interviews with district and county office staff, the district failed to comply with EC 42100 requiring that the board approve the district's annual statement of revenues and expenditures, or unaudited actuals, for the previous fiscal year by September 15. The board's meeting to approve the district's unaudited actuals was held on September 22, seven days after the statutory deadline. Violation of this requirement is punishable as a misdemeanor pursuant to GC Section 1222. Additionally, the district was unable to provide FCMAT with documentation regarding its 45-day budget update as required by EC Section 42127(i)(4). Otherwise, the district appears to have complied with all remaining statutory financial reporting requirements. The district should carefully review its board calendar in conjunction with its reporting deadlines to ensure compliance with all relevant code requirements.

In addition to the SACS forms required to be generated by the CDE, most school districts provide additional financial materials to ensure that governing board members and other stakeholders understand the salient points contained in the complex and detailed state reports and to provide easy access to information of particular interest. These materials can be presented using basic spreadsheets, graphs, trend analysis, Power Point presentations and narratives. The district

supplied additional explanatory materials that had accompanied its state reports presented to the governing board; however, the content was inconsistent. This may be attributable to turnover in district leadership personnel. Nonetheless, to assist in determining the board's specific areas of interest or topics for which they feel need additional explanation, the district may wish to survey the board to identify those items. Some items that the district may wish to consider are:

- Operating deficit amount categorized by unrestricted and restricted funding as well as identification of one-time and ongoing funding amounts or programs.
- The size and purpose of any supplementary payments to WCA.
- Enrollment and ADA history and ratios.
- Detailed explanations for all unmet criteria and standards items within budget and interim reports.
- Financial activity reports or snapshots for all district programs by resource.

Independent Audits

A significant finding reported in the 2009-10 independent audit has not yet been resolved. The auditors found that neither of the district's school sites were able to locate teacher certified student attendance records nor most supporting absence notes or telephone logs. Therefore, the auditors could not verify whether the average daily attendance (ADA) was correctly reported, and all ADA for the district was disallowed. EC Section 48200 requires each child between 6 and 18 years of age to be subject to compulsory full-time education, unless excused (EC 48205). To comply with compulsory attendance laws, the district adopted AR 5113, which sets forth the acceptable reasons for excused absences and the verification methods that can be used, such as notes, faxes, visits, physician verification, e-mails or transcripts of conversations. Without the teacher's record of daily attendance and the notes, etc. used for verification of absences, there is no record of compliance with compulsory attendance. The district must require all teachers to take daily attendance and ensure that clerical site staff retain and maintain records to substantiate excused student absences in accordance with AR 5113.

Since the district receives funding as a basic aid district, the audit finding will not result in lost state aid revenue limit funding. However, special education funding is allocated to each Special Education Local Plan Area (SELPA) based on the ADA generated by its member school districts and charter schools. Therefore, the SELPA funding generated by the disallowed ADA is in jeopardy. Resolution of this issue is dependent on the outcome of a Request for Summary Review that the district filed with the Education Audit Appeals Panel (EAAP) in October 2011. Staff at CDE and EAAP indicated that some districts that had similar requests and use the same attendance system as the district, Aeries, were granted their appeal. However, these districts had rehired their independent auditors to conduct additional agreed-upon audit procedures, including reviewing ancillary information already contained in the Aeries database for evidence that teachers entered attendance information appropriately and that the information was credible. When these procedures yielded sufficient evidence, the independent auditors were then able to opine that the ADA as reported was reasonable and therefore allowable. The district should consider the financial pros and cons of engaging an independent auditor with Aeries software to determine if the 2009-10 ADA as reported was reasonable.

County office estimates the amount of special education funding in question to be approximately \$98,000. FCMAT noted that this amount has not been recognized as a liability in the

district's financial records. Because receipt of the funding is now in question and the amount is quantifiable, the district should record the \$98,000 as a liability until the outcome of the EAAP appeal is known.

Other state categorical funding the district has received based on an ADA formula may also be in jeopardy; however, FCMAT was unable to verify programs or amounts that might be at risk.

Even with the potential loss of \$98,000 and explicit direction from district administration, teachers have continued with improper student attendance accounting and are not recognizing the important connection between accurate attendance recordkeeping, compulsory attendance laws and revenue generation. Continued deficiencies in attendance accounting that produce incomplete and inaccurate records may result in lost funding. District administrators have recently implemented additional procedures to monitor attendance processes; however, site staff should be immediately trained or attend outside trainings regarding their roles, duties and responsibilities to accurately record attendance. District administration will need to continue to closely monitor attendance accounting and should take appropriate disciplinary action with any employee who circumvents or deviates from the requirements.

Interim Financial Reporting

Review of the district's 2010-11 second interim financial report revealed that the 2009-10 audit adjustments were posted to the fund balance in the Original Budget column. Because audit adjustments are not known at the time the annual budget is adopted and this column should reflect the exact items in the adopted budget, the adjustments should be incorporated as a revision to the original budget. They then should be presented to the board for approval as audit adjustments and reported in the interim report in the Board Approved Operating Budget column or Projected Year Totals column of the SACS documents, depending on the board's procedure for approving budget adjustments.

The 2010-11 first interim financial report, 2010-11 second interim financial report and 2011-12 first interim financial report cash flow worksheet all contained amounts on the Other Receipts/ Non-Revenue line of those reports that caused the cash flow worksheet to be out of balance with the budget for the same period. The district reported that the \$45,252 adjustment reflected in the 2011-12 first interim financial report was a last-minute adjustment associated with the mid-year state budget triggers. While the adjustment would probably be considered immaterial by auditors, these items should be incorporated into the district's budget and cash flow worksheet to the extent possible to maintain the integrity of the documents, and should be used only in rare circumstances.

The district's 2011-12 first interim financial report criteria and standards section stated that negotiations for the certificated and classified bargaining units had not yet concluded. GC Section 3547.5 specifies the reporting requirements for district staff and governing board members prior to entering into written agreements with their exclusive representatives. The requirements include the following:

- Major provisions of the agreement including, but not limited to, the costs that would be incurred by the public school employer under the agreement for the current and subsequent fiscal years, shall be disclosed at a public meeting of the public school employer in a format established for this purpose.
- The superintendent of the school district and chief business official shall certify in writing that the costs incurred by the school district under the agreement can be met by

the district during the term of the agreement. This certification shall be prepared in a format similar to that of the reports required pursuant to Sections 42130 and 42131 of the Education Code and shall itemize any budget revision necessary to meet the costs of the agreement in each year of its term.

- If a school district does not adopt all of the revisions to its budget needed in the current fiscal year to meet the costs of a collective bargaining agreement, the county superintendent of schools shall issue a qualified or negative certification for the district on the next interim report pursuant to EC 42131.

The district was unable to provide FCMAT with copies of filings with the county office of education that would provide information regarding past compliance with GC 3547.5. On completion of any negotiation with its collective bargaining units, the district should ensure that appropriate staff and the governing board observe those reporting requirements.

Also noted in the district's 2011-12 first interim report criteria and standards section was item S7A relating to the district's identification of its other postemployment benefits (OPEB). The information to be reported in this standard should mirror what is reported in Note 12 of the district's 2009-10 audited financial statements regarding its adoption of GASB 45, along with the actuarial valuation obtained by the district to supply the information needed for its auditors. In criteria and standards item S7A, the district reports that it has no OPEB obligations. This directly contradicts the information contained in Note 12 of the 2009-10 audited financial statements, and the district should revise and include the necessary information for this standard during its next reporting period.

Unaudited Actuals

A school district's costs can be categorized as direct or indirect, depending on the nature of the activity generating the cost. Direct costs can be identified with a particular instructional program or support service needed to maintain the program. Indirect costs are for necessary general services such as accounting, budgeting, payroll preparation, personnel management, purchasing and central data processing. Each district establishes an annual indirect cost rate based on its individual expenditures as applied to the CDE federally approved indirect cost plan. This individual district rate is then multiplied by each program's actual allowable expenditures to determine how much to charge the program for its share of the cost of general administrative activities.

Individual programs are charged the district's CDE-approved indirect cost rate unless the program specifically requires a different rate or does not allow for indirect costs. For example, the federal Education Jobs Fund allows no indirect costs while the After School Education and Safety program allows a 5% indirect cost rate. In addition, EC Section 38101(c) limits school district indirect costs to the lesser of the district's CDE-approved indirect rate or the statewide average indirect cost rate for food service programs. For fiscal year 2011-12, districts are limited to the lesser of their CDE-approved indirect cost rate or 4.80% for food service.

The district's 2010-11 form ICR from its unaudited actuals report indicated that only three district programs were charged indirect costs. Economic Impact Aid was charged the district's CDE-approved indirect cost rate (7.49%) although that program is capped at 3%; Title I was charged 3% although it is allowed to charge the district's 7.49% rate; and local grants were charged 0.31%.

The failure to charge indirect costs and the over- and under-application of the district's CDE-approved indirect cost rate to its programs causes the unrestricted general fund to bear the burden for almost all of the district's administrative costs even though restricted programs and other funds use those services. Although the district cannot recover prior years' costs that were not charged appropriately, it can review its processes for applying indirect costs and revise the procedures beginning with fiscal year 2011-12 to ensure that all programs are charged the maximum allowable indirect cost rate.

The formula for the district's indirect cost rate is indirect costs divided by base costs. This formula, along with the amounts associated with the individual district's formula, is shown on the indirect cost rate worksheet or form ICR in the unaudited actuals report. Most of the numbers on form ICR are downloaded automatically from the district's financial software, but some items require manual entry to complete the calculation. On the district's form ICR for fiscal year 2010-11, numbers requiring manual insertion were omitted, including the cost of the district's annual audit and separation costs.

One of the forms included in the SACS reporting at year-end is the Schedule of Categoricals (Form CAT), which CDE does not require districts to complete. However, it is designed to "... assist in the determination of the correct amount of unused grant award (carryover), accounts payable, accounts receivable, deferred revenue and/or restricted ending balance at the end of the fiscal year for all federal, state, and local categorical programs for which the district is responsible, regardless of the funding source."

Based on this description from the SACS Software User Guide, the Form CAT should mirror amounts in the district's general ledger. FCMAT's review of the Form CAT indicated that it contained resources identified with the wrong resource codes, and program names that did not match the resource being reported. In completing the Form CAT for the closing of the 2011-12 fiscal year, the district should make every effort to balance the form with amounts reported in the district's general ledger.

The district maintains a revolving account with a \$1,000 maximum balance. However, neither the 2010-11 unaudited actuals nor the 2011-12 first interim report reflect a reserve for this amount as required by the California School Accounting Manual, Procedure 210.

Much of the district's standard accounting functions, including preparation for reporting or closing the books, is routine in nature but has been either ignored or has become backlogged due to the limited number of district office staff or their lack of understanding of the task to be performed (e.g., cash receipts, accounts receivable, tracking/balancing to the general ledger, assets or debt reported within Form Asset or Form Debt, etc.). The district should consider contracting for services to complete the work and train current employees to perform these tasks.

Recommendations

The district should:

1. Ensure that the board meeting calendar contains financial reporting deadlines to ensure compliance.
2. Survey the board regarding specific areas of interest or topics for which they would like additional explanation or training.

3. Require all teachers to take daily attendance and ensure that clerical site staff retain and maintain records to substantiate excused student absences in accordance with AR 5113.
4. Consider the financial pros and cons of engaging an independent auditor with Aeries software expertise to perform audit procedures and determine whether 2009-10 ADA as reported was reasonable.
5. Record the special education funding in question as a liability until the outcome of the EAAP appeal is known.
6. Immediately train site staff regarding their roles and responsibilities in providing accurate student attendance recordkeeping. Closely monitor attendance accounting and take appropriate disciplinary action with any employee who circumvents or deviates from the district's requirements.
7. Present all adjustments resulting from the independent audit of the prior year's financial records to the governing board for approval as audit adjustments and report them in the Board Approved Operating Budget or Projected Year Totals column on the SACS interim financial reports, depending on the board's procedure for approving budget transfers.
8. Incorporate adjustments to the cash flow worksheet in "Other Receipts/ Non-Revenue" into the district's budget to the extent possible.
9. Ensure that appropriate staff and the governing board observe the reporting requirements of GC 3547.5 once negotiations are complete.
10. Revise Criteria and Standards Item S7A to include the necessary information for the district's OPEB obligation during its next reporting period.
11. Review its processes for applying indirect costs and revise procedures beginning with fiscal year 2011-12 to ensure that all programs are charged the maximum allowable indirect cost rate.
12. Ensure that staff members responsible for the unaudited actuals report are knowledgeable regarding all the required forms so that accurate financial information is reported.
13. Balance the Form CAT with the amounts reported in the district's general ledger.
14. Report a reserve for the revolving cash account in the ending fund balance as required by the California School Accounting Manual, Procedure 210.
15. Consider contracting with an individual knowledgeable in school accounting to perform routine and backlogged tasks and to train current employees to perform these tasks.

Direct Service Options from the County Office

Small districts may not be able to economically or effectively perform all their own professional services. EC Section 2550(a)(2) authorizes funding to county offices to provide specified services to small districts that qualify as direct service districts (DSDs). DSDs are defined as elementary school districts with less than 901 ADA, high school districts with less than 301 ADA and unified school districts with less than 1,501 ADA.

County offices are authorized to provide these services to districts too small to supply services for themselves: (a) preparing courses of study; (b) supervising instructional practices in elementary schools; (c) providing direct guidance services, health services, and attendance services normally provided in an educational program; (d) providing for the purchase, distribution, and use of supplementary instructional materials and equipment; and (e) providing educational opportunity to normal and special pupils who would otherwise be denied it (EC Section 1700). Direct service funding is allocated to a county office based on its unique ADA rate and represents a component of the revenue limit calculation for each county office.

Sausalito Marin City is classified as a direct service district. The Marin County Office of Education has been allotted approximately \$49 per direct service ADA for an estimated total of approximately \$14,400 to be received by the district in 2011-12 for its direct service needs. This amount is insufficient to obtain services for nursing, psychology, special education, information technology, etc. Small districts often have needs that exceed the direct service funding provided by their county offices. FCMAT's interviews with county office administrators revealed it is the county office's long-standing practice to pass the direct service funding it receives through to the districts that generate it. This is a standard practice for many other county offices throughout the state. This also allows each DSD maximum flexibility in purchasing services that best serve the needs of its students through the county office or through independent contractors.

FCMAT reviewed copies of the district's agreements for outside services for a variety of needs during the 2011-12 fiscal year. They include the following:

Contract Description	Contract Services	Estimated Service Days	Estimated Cost
Agreement for 2011-12 Interim Services dated May 24, 2011	Superintendent, Special Education Director, Vice Principal, Instructional Behavior Coach	567	\$409,274
2011-12 Contract Services for Basic Aeries Housing Services dated September 21, 2011	Basic Aeries housing services for the Sausalito Marin City School District and Willow Creek Academy	N/A	\$5,388
2011-12 Direct Service Contract Agreement dated March 4, 2011	Nurse and Psychologist Services	18.4	\$10,814
2011-12 Direct Service Contract Agreement dated March 4, 2011	Nurse and Psychologist Services	80	\$46,312
2011-12 Agreement for Technology Support Services From October 2011 through June 2012	Information Technology Director, Aeries support, CALPADS support	Five hours per week; 20 hours per month; 10 hours per month respectively	\$34,020

Subsequent to the execution of the Agreement for 2011-12 Interim Services, the district hired a vice principal and is contracting with another organization for behavior coaching. The amounts of \$118,700 and \$53,406, respectively, have been eliminated from the agreement with the county office and are excluded from the analysis above. Prior to entering into any agreements with the county office or independent contractors for the 2012-13 fiscal year, the district should analyze and determine whether it could obtain additional services more cost efficiently by hiring its own personnel.

Additionally, because the district recently hired a new business manager from outside the county, the county office CBO is providing informal support and mentoring in the area of business practices specific to school district business in Marin County. Due to the small number of district administrative and business personnel and because the administrative leadership team was recently hired, every opportunity to consult and work with the county office staff should be explored.

Recommendations

The district should:

1. Determine whether it would be more beneficial and cost effective to hire personnel instead of contracting with the county office or independent contractors for services for the 2012-13 fiscal year.
2. Encourage the continued mentoring relationship between the county office and the district's business manager.

Payroll

The business manager supervises the assistant to the business manager, who processes all of the district's monthly payroll transactions. The assistant has been employed in this capacity for five years and is responsible for processing all payroll transactions on the following payroll cycles:

- Supplemental payroll: substitutes, stipends, and extra duty are paid on the 10th of the month
- Special supplemental payroll: used only in the case of employer payroll errors, paid on the 21st of the month
- End of month payroll: contracted employees are paid on the last working day of the month

The assistant is responsible for calculating salaries and benefits, entering the information into the Quintessential School Systems (QSS) accounting software, preparing the payroll pre-lists, transmitting the payroll information to the county office, picking up the payroll warrants and pay stubs (in the case of employees with automatic deposit), sorting the warrants by work location and distributing them to the sites and departments. The assistant is also responsible for processing voluntary payroll deductions and wage garnishments and for distributing vendor warrants once they have been processed by the county office.

A sound internal control structure requires job duties to be segregated to adequately protect the district's assets. No single employee should handle a transaction from initiation to reconciliation, and no single employee should have custody of an asset (such as payroll warrants) and maintain the records of related transactions. The district's current procedures lack adequate internal controls because they allow one employee to have custody of the transaction, maintain the records of the transaction and have access to the warrants after they are processed for payment.

The following guidelines provide best payroll practices and a sound internal control structure:

- Initiation of payroll always begins with a document from an outside source – a timesheet or the district's change of status form. Regardless of the form received, it should contain proper signatures and reflect board approval, when applicable. The assistant reviews the documents for completeness and signature recognition, and then the payroll process continues.
- In addition to timesheets and change of status forms, individual contracts are commonly entered into with employees in upper management positions such as the superintendent, assistant superintendents and CBOs. The individual negotiates these contracts with the district, and they become binding on the district when approved by the governing board. These contracts become public documents when submitted to the board, and a copy as well as any amendments thereto are supplied to the employee processing payroll because the retention of supporting documentation for all payments made by the district is a major component of internal control.
- All payroll deductions are supported by written authorization for the deduction signed by the employee. Upon entry of the deduction into the QSS system, the original is placed into the employee's payroll file.
- The timesheet or change form is then checked for correct account coding and payment calculations are made from the information provided. The information is then entered into QSS for preparation of the payroll pre-list.
- The pre-list and the documents supporting the payroll are reconciled. For a payroll consisting of timesheets, an adding machine tape can be prepared totaling the gross payroll calculated on the timesheets and then compared against the pre-list. For a month-end payroll, the prior month's gross payroll can be used as the base with any additions or deletions applied and then balanced against the current month's gross payroll. Each district devises its own procedures and methodologies of reconciliation. Regardless, best practices require a monthly reconciliation of payroll.
- The pre-list, reconciliation and underlying documents (timesheets, change forms, etc.) are then provided to the business manager for review and approval. The business manager also randomly tests a sample of the calculations in each payroll for accuracy.
- Once approved, the assistant submits the documentation required to process the payroll to the county office for their processing.
- When the warrants are generated, they are not returned to the assistant for further processing as this would violate best practices in allowing the same employee who processed the transaction for payment to have access to the warrants. Given the limited number of personnel in the district's business office, the warrants/stubs should be returned to the business manager.

- The assistant can then run the necessary payroll reports from the financial system as dictated by the district or the county office, and these reports can be put into paper or electronic form.
- The business manager then reconciles the county office's final payroll report and the district's payroll records.
- The listing of employees on the payroll pre-list is then compared to the listing on the final payroll report.
- The warrants/stubs are then separated between employees and vendors. The employee warrants/subs are then further separated by site or department and stored in a secure, locked cabinet until payday or further processing (as in the case of vendor warrants).
- A copy of each vendor warrant is provided to the assistant to the business manager for reconciliation to the Pay 600 report. The completed reconciliation and the copy of the warrant are provided to the business manager for review. Upon approval of the business manager, the vendor warrant is mailed.
- On payday, each site/department is responsible to pick up their payroll. Each establishes, in advance, who is authorized to pick up payroll. The district may want this to include the site principal/department head and one other responsible person in case of the absence of the principal/department head.
- Sites/departments are responsible for disbursement of payroll and obtaining the signature of each employee collecting a warrant/stub. A sample distribution sheet is attached as Appendix C to this report. Due to privacy issues, it is not appropriate to place checks in mailboxes or on employee desks. These methods of disbursing payroll do not include adequate internal control procedures such as a documented chain of possession and a mechanism to help ensure that individuals who do not exist (also known as ghost employees) are not included in the payroll system.
 - An employee who would like someone else to pick up their warrant/stub should have a written authorization on file. The authorization should specify the person allowed to pick up the warrant/stub in the employee's absence and the expiration date of the authorization. The person picking up the warrant/stub should be prepared to provide picture identification and must sign the distribution sheet.
- The district will need to establish a policy regarding the warrants/stubs of people who are absent or have failed to pick up their warrant/stub. For this step, there is a great deal of discretion as to how to proceed – immediately mailing the warrant/stub, immediately having the site/department send it back to the district office for the person to pick up when they return, or the district may determine that they would like to wait a number of days before proceeding with either mailing or return to the district office. The pay warrant/stub needs to be stored in a secure, locked cabinet until it is distributed.
- Once payroll distribution is complete, including whatever procedures have been established for the warrants/stubs not picked up on payday, the original distribution sheet is returned to the district office for inclusion with the payroll documents for that payroll cycle.

Several of the steps above, such as comparing the pre-list to the final payroll report, separating warrants/stubs by site/department/vendors, and mailing the vendor warrants could be performed

by the executive assistant to the superintendent to establish proper segregation of duties. However, these duties do not appear in the executive assistant's job description. Revisions to the job description may be necessary if the district determines this is how payroll transactions will be structured.

It is very common for payroll errors to occur, caused either by the employer or the employee, but most involve missing a payroll deadline. EC Section 45167 requires that if an employer error is made in calculating, reporting or paying an employee's salary, a correction is made within five working days after the error is discovered. Even with this code section to guide the resolution of payroll errors, confusion can often result regarding what constitutes employee error and what constitutes employer error. Issues such as a supervisor misplacing an employee's timesheet and turning it in late or timesheets lacking a supervisor's signature should be treated as an employer error requiring payment to be tendered within five working days. Situations involving an employee not submitting their timesheet or submitting an incomplete timesheet should be treated as employee errors. District administrators report that timesheets not being complete and timely is an issue with each payroll, and is exacerbated by a lack of consequences for violating district policy.

Numerous documents and items of information are needed to process payroll. These include but are not limited to initial hiring information, employment contract, change of status forms, California Public Employees' Retirement System (PERS) or California State Teachers' Retirement System (STRS) elections, federal and state income tax withholding information, voluntary deductions for items such as insurance premiums or retirement plans (403(b) or 457 plans), wage garnishments, and evidence of governing board approval for new hires and position changes. Good business practices include maintaining a separate payroll file for each employee in locked file cabinets.

The assistant to the business manager is responsible for employee attendance tracking in the QSS absence tracking module. Information regarding vacation and personal/sick leave balances appears on employee paychecks. However, the manner in which the information is provided causes confusion among employees that prompts many questions to the business manager's assistant. One issue is that the system reports both personal time and sick time on the pay stubs; however, these are not separate balances. Some of these questions cannot be answered by the assistant, which requires the question to then proceed to the business manager's desk. This can be disruptive and is an unproductive use of staff time, especially among a very small staff. The district has contacted the county office to determine if the vacation/personal/sick leave balances can be presented in a more employee friendly manner. FCMAT would encourage the district to continue these efforts so that employees' time may be used more productively.

Recommendations

The district should:

1. Implement payroll procedures that will provide a sound internal control structure.
2. Revise job descriptions as necessary among district office staff to accommodate revised payroll procedures.

3. Establish firm payroll submission deadlines as well as what constitutes a complete employee timesheet submission. Ensure that employees are notified in writing of these deadlines and requirements, and hold both the employee responsible for enforcing the policy and the employee violating the policy accountable for following them.
4. Establish an individual payroll file for each employee.
5. Continue efforts to provide more accurate vacation/personal/sick leave information on employee paychecks.

Position Control

Salary and benefit costs are the largest component of any school district's budget, averaging more than 90% of the unrestricted general fund budget in elementary districts statewide. This percentage has increased by 3.39% over the last 10 years and is not expected to decrease in future years. Therefore, accurately projecting salary and benefit costs is critical.

A reliable position control system establishes positions by site or department and helps prevent over- or under-budgeting of staff by including all district-approved positions. In addition, a reliable position control system prevents the omission of routine annual expenses that are tied to district positions in the budget process, such as substitutes, extra duty pay, stipends, vacation payouts, column changes, retiree health and welfare payments, overnight stay payments, merit pay bank contribution and other items in the district's collective bargaining agreements. Effective position control consists of a single system that is integrated with other financial modules such as budget and payroll.

The district utilizes accounting software from Quintessential School Systems called QSS/OASIS, which is utilized in numerous districts throughout California. The QSS system has a position control module that can be integrated with both payroll and budget development. Prior administrators perceived that the district's small size made the effort to implement the position control module an unwarranted use of time and energy, so Excel spreadsheets are used to track positions. While the initial task of implementing a position control system can encompass many hours of work, it is a powerful tool for the district that will result in better productivity and budgetary information.

Position control functions must be separated to ensure proper internal controls. Adequate controls ensure that only board-authorized positions are entered into the system, that the human resources department hires only employees authorized by the board, and that the payroll department pays only employees hired for authorized positions. The proper separation of duties is a key factor in creating strong internal controls and a reliable position control system. Larger districts have both business and personnel departments, which facilitates the separation of duties and implementation of proper internal controls. However, Sausalito Marin City has only four district office positions: the superintendent, business manager, executive assistant to the superintendent and assistant to the business manager. Even with the constraints of a small office, the following suggested distribution of labor in Sausalito Marin City's district office would help provide the necessary internal control structure for position control.

Task	Responsibility
Approve or authorize position	Governing Board
Input approved position into position control, with estimated salary/budget. Each position is given a unique number.	Business Manager
Enter demographic data into the main demographic screen, including: Employee name Employee address Social Security number Credential Classification Salary schedule placement Annual review of employee assignments	Executive Assistant to Superintendent
Update employee benefits Review and update employee work calendars	Assistant to Business Manager
Annually review and update salary schedules	Business Manager
Account codes Budget development Budget projections Multiyear projections Salary projections	Business Department

The responsibility for the input of demographic data is not listed as a job duty in the job description of the executive assistant to the superintendent. However, limited staffing and the district's desire to contain costs may necessitate the modification of job descriptions so the district can implement adequate internal controls.

However the district determines to divide the duties associated with position control, one employee should not have the ability to access both the demographic and payroll screens of any employee. Allowing one employee to access all the financial system software screens needed to create and pay employees does not provide proper separation of duties, because a ghost employee could be created and paid without the district's knowledge.

Carrying position control data from the current fiscal year to the budget year provides a starting point for developing the district's budget and should be completed early in the cycle. Position control files for the budget year then can be updated to eliminate positions as needed, add new approved positions, change statutory and health and welfare benefit rates, and make any other adjustments that will affect salaries and benefits for the budget year. A fully functioning position control system helps districts maintain accurate budget projections, employee demographic data and salary and benefit information. Integrating the position control system with the financial system's payroll and budget modules and using it to update the budget at each reporting period is a best practice.

As the position control module is in its implementation phase, the district office will also need to establish policies and procedures regarding integrating position control into its business office routines. Toward that end, the business manager has drafted a hiring procedures document and change of status personnel/payroll form. FCMAT suggests the following changes to the draft status personnel/payroll form:

- Review the form to determine whether pre-numbered sections are applicable to each situation. For example, it is not necessary to have an employee sign a change of status form except when it is their request to have information changed. Consequently,

including the line number for an employee signature regarding a new hire would not make sense. Likewise, the line for Effective Date should be included in items regarding retirements, terminations and resignations.

- Include a check box or signature line reflecting verification of board approval if it is required for the personnel action being taken. This is particularly important in establishing a new position, hiring an employee, or for an increase in compensation because none of these actions should be taken without board approval.

The change of status form will help in compiling the proper information for the position control system and will assist the district in controlling personnel expenditures by eliminating unauthorized hiring or adding time to positions without prior approval.

The following best practices should be followed with regard to position control:

1. Personnel action is taken/requested and a change of status form is completed to reflect the action. Actions can include hiring/rehiring; transfer to a different site; change in hours, pay, site or funding source; changes to demographic information; resignation, retirement or termination.
2. The change of status form is signed by all parties as is necessary. The number of signatures necessary for a given action may vary from situation to situation. The district should determine whether all four signatures listed on the form (director/site administrator, position control, business manager/personnel and superintendent) are necessary for every use of the form. Board approval of actions such as establishing new positions, hiring decisions, pay increases, etc. should also be included with the change of status form.
3. The business manager verifies that the form contains the proper authorizations and verifies or issues a position control number. If a new position, the position is opened in the position control module and a position number is assigned. If the position already exists, the position number is verified on the change of status form.
4. Any changes to demographic information are placed into the position control module by the executive assistant to the superintendent.
5. Changes related to payroll information such as hours, calendar, etc. are input into the position control module by the assistant to the business manager.
6. A position control report related to the changes is run and provided to the business manager for review. This step may be performed at each change made to position control, or the district may determine that a periodic report best suits its needs.
7. The original change of status form is filed in the employee's payroll file following the affected payroll period.

The business manager also will need to institute procedures regarding the process by which position control is updated for each financial reporting period, including procedures to properly roll position control from one fiscal year to another. For example, in compiling interim financial reports, most districts will make all necessary changes to the position control module and then hold the module at a specific date without making further changes until the business manager authorizes opening position control. Likewise, rolling position control from one fiscal year to the next requires coordination to be able to supply information for both fiscal years as needed. How to handle these processes and deadlines is a local decision, and the business manager should work with both the assistant to the business manager and the executive assistant to the superintendent to establish them.

Recommendations

The district should:

1. Take immediate steps to fully implement the QSS position control module, including the use of an outside consultant for the initial system setup to lessen the burden on district office staff.
2. Revise job descriptions of district office staff as necessary to ensure that adequate internal controls are established for maintenance of the position control system.
3. Ensure that one person does not have the ability to access both the demographic and payroll screens of employees in the position control module.
4. Review the change of status form to determine whether pre-numbered sections are applicable to each situation.
5. Include a check box or signature line reflecting verification of board approval if required for the personnel action on the change of status form.
6. Establish the steps listed above to process the district's position control transactions.
7. Institute procedures for updating position control for each financial reporting period, including procedures to properly roll position control from one fiscal year to another.

Accounts Payable

The business manager supervises the assistant to the business manager, who is responsible for processing the accounts payable transactions. The goal of the accounts payable function is to promptly pay for goods and services procured in accordance with governing board policy. As with all positions, and especially those that deal with money, strong internal controls are essential because the potential for fraud exists in each organization. The Chartered Global Management Accountants recently published a report entitled "Fraud Risk Management: A Guide to Good Practice," which contained the findings of the 2011 American Institute of CPAs Forensic and

Valuation Services Trend Survey. This survey included more than 1,000 responses from forensic practitioners and senior finance professionals in business and industry and found that 25% of fraud involved false payment requests.

Accounts Payable Process

The assistant to the business manager processes the entire accounts payable transaction, submits the batch to the county office, picks up the batch on the way home, keeps the batch at home overnight and brings it back to the district the next morning for processing and mailing. Effective internal controls and separation of duties would prevent the same person from initiating, processing and mailing transactions, and from posting the transaction in the accounting records. The current system allows the assistant, as well as third parties, to have custody of the warrants once they have been issued by the county office. No control is in place that would detect whether the assistant processes the warrants appropriately.

As a result, FCMAT would recommend that the district implement the following procedures for processing accounts payable transactions:

- Pursuant to the procedures FCMAT recommends for purchasing, the assistant retains one copy of the signed purchase order (PO) for processing.
- Upon receipt of goods, sites/departments are instructed to send the packing slip/receiving document to the district office, indicating whether all items were received, to the attention of the assistant for matching with the PO and invoice.
- If payment is being made to an individual for reimbursement of an item purchased, highlighters or tape may erase information printed on the receipt, so the item to be reimbursed should be circled instead.
- The payment process is only initiated with the receipt of an original invoice from the vendor. Payments are not processed using statements.
- Invoices are photocopied and the copies are sent to the sites/departments to obtain a signature authorization for payment. Once signed, the copy of the invoice is returned to the assistant for processing.
- If an invoice is unpaid and waiting for a signature authorization, the assistant contacts the site/department to determine the reason for the delay. As an alternative, the district may determine that an e-mail will be allowed to replace a manual signature, but this should be the exception and not the rule.
- Invoices are reviewed to:
 - Verify that the invoice was issued to the district.
 - Verify that the vendor's payment address matches district records.
 - Verify that all items contained on the invoice match the receiving document.
 - Verify that the pricing contained on the invoice matches the PO. Investigate any differences.
 - Check the math used on the invoice for accuracy.

- Validate that the proper sales/use tax has been charged. If not, set up an accounts payable item in the QSS system.
- Check for independent contractor status. Be sure that the district has received the W-9 from the independent contractor before issuing payment, and check that the vendor has been flagged in the QSS system to receive a 1099. Payments made without receipt of the W-9 may require federal or state income tax withholding.
- Check account coding.
- Calculate any applicable discounts.
- The assistant matches the invoice, invoice copy with authorization signature, documentation of receipt and PO. This four-way matching then becomes the payment packet.
 - If the assistant has not received documentation of receipt of the goods, he/she contacts the site/department via e-mail to confirm receipt. The confirmation copy of the e-mail is printed and used as the shipment receipt documentation.
 - If the documentation regarding receipt of the goods has been lost or misplaced, the site administrator/department head provides written confirmation that the goods have been received as shown on the invoice. This should be in the form of a memo, but the district could consider adopting a policy that would allow an e-mail to be accepted in its place.
 - If the invoice is related to a construction project, extra care should be taken regarding the payment because Public Contract Code Section 9203 requires retaining at least 5% of progress payments from the contractor until the project is completed. When these situations arise, it is best to work with the business manager before processing the invoice for payment.
 - If the invoice is related to a change order from a construction project, the assistant works with the business manager prior to processing for payment. Change orders require board approval and can, potentially, require bidding themselves (Public Contract Code Section 20118.4).
- Data from completed payment packets is then entered into the QSS system in groups for payment processing and a batch pre-list is generated by the system. This is often termed as creating a “batch” for payment.
- The batch pre-list, all payment packets included in the pre-list and the certification page are given to the business manager for review. If the pre-list passes review, the certification page is signed and the batch is returned to the assistant.
- The assistant arranges for delivery of the appropriate documents from the batch, as designated by the county office, to the county office.
- If any warrants will require additional processing beyond simple mailing, instructions for those warrants are given to the business manager.
- When the warrants are ready, they are returned directly from the county office to the business manager.
- A batch report, commercial warrant register and commercial warrant report are run from the QSS system. The batch report and warrant register are maintained in files in the

assistant's office. The commercial warrant report is separated by warrant and stapled to the corresponding payment packet as evidence of payment.

- The business manager then reconciles the warrant register to the warrants received and the warrant register is given to the assistant for filing.
- The assistant cancels each invoice by marking it "paid" with a pre-inked stamp and the date of the payment.
- If the payment reflects a partial payment of the order, that information is included on the copy of the PO being held for processing.
- If the payment is made on a blanket/open purchase order, it is a best practice to track the blanket PO to ensure that the purchases being made against it do not exceed the spending limit of the PO.
- Warrants requiring mailing are placed into the outgoing mail basket but are not left unattended in the bin for a long period of time. Best practice is to place them into the outgoing mail bin shortly before the scheduled pickup to prevent someone with knowledge of the district's mail schedule from removing one or more warrants.
- Warrants requiring additional attention, along with the instructions generated from the assistant, are given to the executive assistant to the superintendent for processing and mailing.
- The payment packet should now reflect all steps in the payment process from PO to payment and is filed according to district practices. However, best practice is for each vendor to have its own file folder to assist in preventing misfiling.
- Prior to each board meeting, the assistant generates a list of all POs, pay vouchers and accounts payable (AP) liabilities transacted to be included in the board packet for approval/ratification.
- During the course of the year, an open purchase order report is requested from QSS periodically to follow up on POs that are more than 90 days old. Those where the requestor has changed their mind and the goods are no longer needed can be closed, allowing budgets to be freed up. This also assists in the year-end closing process.
- As the calendar nears the end of the school year for sites or the fiscal year for departments, the assistant works with each site/department to determine whether the POs they have issued should be cancelled, accrued (booked into the QSS system as a liability) or re-encumbered to the next fiscal year.
 - If the PO has not been issued or the order has been rescinded, the PO is cancelled in the QSS system. The assistant makes notes on the copy of the PO or retains e-mails regarding the cancellation and who issued it.
 - If the goods or services have been received by June 30, the PO is accrued in the QSS system with the item set up as a liability. Documentation of the receipt of the goods is also requested so that when the invoice arrives it will be ready for processing.
 - If the goods or services will not be received by June 30, the PO is either cancelled and reissued or re-encumbered for the following fiscal year.

During the normal course of dealing with vendors, the district will add new vendors or their contact information will change. Because the internal control principle of separation of duties requires that the person who processes vendor payments does not have the ability to add new vendors or modify this information, the district will need to change its procedures regarding additions or changes to vendor information. First, the district should immediately modify the access protocols in QSS to deny the assistant to the business manager access to set up new vendors or change vendor contact information. To reduce the district's exposure to fraud, changes to vendor information should be processed as follows (procedures regarding establishing new vendors are included in the purchasing section of this report):

- The vendor's request is forwarded to the business manager for review and approval.
- The business manager verifies that the request came from the vendor. The best way to investigate the request is direct, personal contact with the vendor or by other manual or electronic means as the district deems appropriate. These steps can include use of Dun & Bradstreet (D&B), Hoover's, Inc. (a subsidiary of D&B), yellow pages, Google, the entity's internet site, Better Business Bureau, etc. The district also checks the address given against the addresses of its employees.
- Notes are made and retained regarding the verification steps taken.
- The signed and approved request is then forwarded to the executive assistant to the superintendent for inclusion in the QSS system.

Some of the steps above are designated as being performed by the executive assistant to the superintendent to provide the district with proper segregation of duties. However, these duties do not appear in the executive assistant's job description. If the district determines that this is how accounts payable transactions will be structured, the job description may need to be revised.

Two employees are responsible for processing all district financial transactions. One of these employees, the assistant to the business manager, has not received outside training to acquire the necessary skills and knowledge to fulfill the position's duties during the entire five-year tenure with the district. This employee should receive training to assist with the assigned accounting duties, and should be held responsible for completing the duties correctly.

Travel Expenses

Many years ago, the district created a request form for employees who wish to attend conferences, trainings and workshops, and to reimburse their travel costs. This form is not currently used by the district because it fails to provide sufficient information to process the requests and reimbursements correctly, and it was not provided to FCMAT for use in this study. The district should take immediate steps to construct separate forms that more closely meet its needs. Each form should be produced as a multi-part, NCR document, with pre-printed instructions on the reverse side. Sample travel request and reimbursement forms have been attached as Appendix D. Generally, the request form should provide an estimate for the costs associated with the event, provide a justification for attendance, and serve as an authorization for the employee to attend. After the conference/training, the employee should be required to complete a separate conference reimbursement request form for expenses incurred.

IRS ruling 2006-56, dated November 13, 2006, requires organizations to track and record employee per diem meal reimbursements. Per diem reimbursements that are higher than the federal per diem rates must be included as gross wages on the employee's W-2. Federal per diem rates can be found in IRS Publication No. 1542. In addition, per diem rates cannot be used for non-overnight travel. The district's BP 3350, dated February 11, 2010, allows travel expenditures to "be reimbursed within limits approved by the Board." However, the district was unable to provide FCMAT with documentation that showed the board had taken steps to establish reimbursement rates. Consequently, the district will need to determine if it should authorize reimbursement of actual meals in total with actual receipts provided, actual meals to a maximum amount with actual receipts provided, or utilize per diem rates and not require receipts.

The district should also consider whether it will establish departure and return times to qualify for certain meals; e.g., departure ahead of 6 a.m. qualifies for breakfast and return after 6 p.m. qualifies for dinner. However, the complexity of reimbursing travel meals based on actual receipts, regardless of whether a maximum amount is established, and the limited staffing of the district's business office should be weighted heavily by the district in determining which policy to adopt.

The district will also need to establish a mileage rate for reimbursement of miles driven using an employee's personal vehicle. Most districts utilize the rate established by the IRS; however, the district can choose to establish a different rate. If the district adopts a rate higher than the IRS rate, the excess will be considered taxable income and will need to be tracked and included on employee W-2s.

The district should utilize the following best practices to establish orderly and consistent procedures for processing employee travel:

- The employee requesting to attend a work-related conference, training or workshop completes, signs and dates the conference attendance request form. One copy of the form is retained by the employee.
 - The district may also wish to establish a deadline for receipt of the attendance request to ensure that last-minute requests are few.
- The employee attaches the following items, as applicable, to the form. If the district will pay the expense directly instead of reimbursing the employee, a separate PO for each item is required. If the employee wishes a travel advance, that also is indicated on the form:
 - Conference registration form reflecting the registration fee.
 - Conference schedule or any other documentation that would provide information on meals that are included in the registration fee.
 - Hotel room rate schedule, including any applicable taxes.
 - Employees are required to ask for and use the state government rate for rooms that is available to them when they travel for school business. In addition, because the district's employees are considered government employees, hotels may waive the transient occupancy tax. If this is the case, the employee can fax or take with them a hotel/motel transient occupancy tax waiver exemption claim for governmental agencies. A sample of this form is attached as Appendix E to this report. Because the total amount saved during a fiscal

year can be substantial, employees should always seek these reduced rates and waivers when traveling on district business.

- Transportation:
 - Air, train or bus fare: Attach the rate schedule.
 - Personal vehicle: A map from the employee's site to the destination of the workshop is used to estimate mileage and then is multiplied by the district-approved mileage rate.
- Other expenses: Items such as parking, taxis, maid tips, Internet charges, etc. are estimated and included.
- Substitutes: If a substitute is needed to cover the employee's absence, an estimate of the cost, including statutory benefits, is made.
- The completed travel form, along with any necessary POs, is submitted to the employee's supervisor for approval. The supervisor's signature serves as an approval for the employee's absence and for expenditure of the funds for the event. However, the employee will still need to follow district procedures to report the absence. The site/department retains a copy of the form, along with their copies of the POs, for their records.
- The complete package (conference attendance request form, POs and expenditure support) is then sent to the assistant to the business manager for processing.
- The assistant reviews the form to ensure that all expenses are supported by documentation, only meals not supported by the registration fee are claimed, the math used is accurate, that POs are attached for items to be paid directly by the district, the account code is correct, and that funds are available to support the travel.
- Once these verifications have been performed, the form is given to the business manager for review and signature and is then returned to the assistant.
- One copy of the conference attendance request is filed by employee name and another is placed in the business office files for accounts payable processing.
- Any POs attached to the request form are processed and encumbered. Some districts also use the conference attendance request to encumber any funds that are needed for the conference but that are not included in the POs, such as items that will be paid by the employee and then reimbursed.
- The district will need to implement a protocol for confirming to the employee and/or site administrator/department head that the conference has been approved and they are authorized to attend. This can be accomplished in many different ways – telephone conversation (with appropriate notes taken), memo, e-mail, or a copy of the fully executed form being returned to the site/department.

After the employee has attended the workshop, they complete a reimbursement request for items that were purchased using their personal funds. EC Sections 44032 and 44033 state that boards are authorized to pay for the actual and necessary expenses, including travel expenses and use of automobiles, of any employee incurred in the course of performing services to the district. The district may also set a deadline to submit for reimbursement to ensure prompt submission by the

employee and to ensure that payments do not cross fiscal years. The following procedure should be used:

- The travel reimbursement form is completed, signed and dated by the employee. The employee keeps one copy of the form.
- Detailed receipts are attached for each expenditure claimed. The district may wish to establish a policy for a minimal amount that would not require a receipt, such as \$5 per day to cover items such as a maid or porter tip that would not, normally, generate a receipt.
 - The district will need a policy to address instances where receipts are lost or misplaced.
- The form is given to the site/department head, reviewed, signed and dated. A copy of the form is retained by the site/department secretary and the remaining copies are sent to the assistant to the business manager for processing.
- The assistant reviews the receipts to ensure that they contain the correct date(s), location and amount.
- The reimbursement form, along with all receipts, is given to the business manager for approval and signature.
- The fully executed reimbursement form is then returned to the assistant for processing in the next accounts payable batch.

Revolving Accounts

Revolving cash funds are typically maintained by districts for instances where a payment must be made immediately and the district does not have the time available to process the payment through the normal accounts payable or payroll process. The maximum amount allowed in any district's revolving cash fund is governed by EC Section 42800, and the district's current maximum balance of \$1,000 complies with this requirement. However, the district lacks written procedures as to how to process these transactions and the related practices and undocumented procedures are not sufficient to provide for compliance with the internal control principle of separation of duties. The district should establish the following procedures for items paid through its revolving account:

- The transaction begins with either a PO or a request to use the revolving fund. A sample revolving fund check request form is attached as Appendix F to this report and is a multipart NCR document. If a PO is used as the basis for the transaction, it is noted on the PO that a revolving check was used as payment.
- The original documentation for payment (e.g., invoice, receipts) is attached to the revolving fund request form. It is signed by the site administrator or department head, and a copy of the form is retained.
- The completed request form and supporting documentation is then sent to the assistant to the business manager for processing.
- The assistant reviews the documentation for proper account coding, signature, ensures there is sufficient funding for the transaction, double checks calculations, and verifies that the correct documentation is attached. Many districts have the employee performing

this task initial the document to provide verification of completion before the transaction proceeds to the next step.

- The assistant forwards the packet to the business manager for review and approval.
- The business manager verifies the coding, calculations and, if all is in order, signs the form.
- The complete packet is then forwarded to the executive assistant to the superintendent to have a check prepared from the revolving account.
 - The check stock from the revolving account is kept in a secured, locked location such as a fireproof safe or file cabinet, and stock periodically inventoried to ensure that checks are not missing.
- Once the check has been written, it is returned to the business manager for signature. Best practice is to require two signatures on the check before it can be negotiated. However, since the district has already involved three of the four people at the district office in the transaction and the superintendent is part-time, the MLK site principal is recommended as the second signatory.
- A copy of the signed revolving check is attached to the payment packet and returned to the assistant to the business manager.
 - If original documents are needed for delivery or mailing, copies are made and retained in the payment packet.
- The signed check and any other necessary documentation are then delivered to the executive assistant for mailing, hand delivery or holding for pickup.
- The monthly revolving fund bank statements are forwarded to and reconciled by the assistant to the business manager. Any discrepancies are immediately reported to the business manager.
- The business manager reviews the reconciled monthly statements, with each signed and dated after this process is complete.

Recommendations

The district should:

1. Implement the procedures outlined above regarding accounts payable transactions to provide a sound internal control structure.
2. Implement the procedures outlined above regarding changes to vendor information and ensure that no employee has access to the QSS screens necessary to set up/change vendor demographic information and process vendor payments.
3. Revise job descriptions as necessary among district office staff to accommodate the changes in procedures.
4. Provide the assistant to the business manager with outside training to assist with the assigned accounting duties, and hold the employee responsible for completing the assigned duties correctly.

5. Take immediate steps to construct separate travel request and reimbursement forms that more closely meet its needs.
6. Establish meal and mileage rates for use in employee travel.
7. Implement the procedures outlined above regarding travel expenditures.
8. Implement the procedures outlined above regarding revolving account transactions.

Purchasing

Purchases can be accomplished by various means, including bidding, credit cards and purchase orders. Purchasing is the responsibility of the governing board, which is charged with the prudent use of public funds. To carry out that function, the board is required to approve all purchase orders and formal contracts (EC Section 17604). While the board has the authority via this code section to delegate the power to contract to the superintendent or a designated agent, the contract created cannot be enforceable against the district until it has been ratified by the governing board and evidenced by a motion of the board duly passed and adopted. EC Section 17596 sets the duration of continuing contracts as three years for materials and supplies and five years for contracts concerning work or services, and apparatus or equipment.

Through the governing board's policy regarding expenditures and purchases (BP 3300), the board has also delegated to the superintendent or designee the duty to "... develop and maintain effective purchasing procedures that are consistent with sound financial controls and that ensure the district receives maximum value for items purchased." Even though the board may delegate its powers and/or duties, the governing board "... retains ultimate responsibility over the performance of those powers or duties so delegated." (EC Section 35161)

The district's purchasing guidelines are established by the board through its policies and administrative regulations. BP 3300, Expenditures and Purchases; BP/AR 3311, Bids; and 3312, Contracts, comprise the bulk of the district's guidance for purchasing.

Purchase Orders

Signed purchase orders are legal contracts with the district. While numerous district staff members are involved in processing POs, it is essential to establish proper procedures to prevent them from being misused.

- Purchase orders can be a pre-printed, pre-numbered, multipart NCR document, or they can be generated from an automated process in the QSS system. Which system to use is a district decision. However, if a paper system is selected, the blank POs are to be kept in a secure location with an inventory system in place. The current stock of unnumbered POs is destroyed to prevent an internal control risk.
- The transaction is initiated by the site/department. The PO contains the complete vendor name, address and phone number, the delivery address for the goods or services, the name of the requestor, quantity, item description, unit price, total line item amount, tax, shipping, total, account code to be charged, and two signatures (one for site/department approval and another for business office approval). It also contains all of the district's terms and conditions such as sellers' terms not being binding on the purchaser

unless accepted in writing, requirements of invoices or packing slips, purchaser not responsible for items delivered without a PO, etc. Prior to ordering its pre-numbered PO stock, the district should subject its current PO form and/or draft revisions to a legal review to ensure compliance with all of the district's desired terms and incorporate counsel's recommendations. The district defines the terms and conditions on the PO and provides them to vendors utilizing the back of the form if necessary.

- If the vendor is new to the district:
 - The request to add a new vendor is submitted to the business manager for review and verification.
 - The business manager takes steps to determine that the new vendor is a legitimate entity and that the contact information supplied matches the entity. This can be accomplished in several ways (both manual and electronic): via Dun & Bradstreet (D&B), Hoover's, Inc. (a subsidiary of D&B), yellow pages, Google, the entity's Internet site, Better Business Bureau, phone contact, etc.
 - The business manager attaches any notes taken regarding where the verification information to the request was found.
 - The new vendor submits its completed W-9 to the district.
 - When the business manager is satisfied that the new vendor is authentic, that the district wishes to conduct business with them and that a completed W-9 has been received, the request is approved and forwarded to the executive assistant to the superintendent to add the vendor into the QSS system.
- The site administrator/department head signs the PO. The site keeps one copy and then forwards the PO to the assistant to the business manager.
- The assistant checks the account coding of the PO and ensures that there is sufficient funding available to process.
 - If funding is insufficient, the assistant works with the site/department to determine if a budget transfer should be made.
 - A budget transfer entry is prepared, supporting documentation attached, and the transfer signed by the assistant as the preparer.
- The assistant places a notation on the PO indicating that funding is available, includes the budget transfer (if applicable) and forwards the PO to the business manager.
- The business manager double checks the coding and signs the PO. If a budget transfer is included, the coding is reviewed, corrected (if necessary) and signed. The documents are then returned to the assistant. It is an industry best practice to have two signatures on the PO – one from the site/department and another from a district office administrator. It is also an industry best practice to have two employees review any journal or budget entries made to ensure correct coding.
- The assistant enters the budget transfer into QSS, makes note of the number the system assigns to the budget transfer, and encumbers the PO in QSS.
- The original PO is then mailed or faxed to the vendor to place the order. A notation is made on the PO of the date, time and method used to place the order.

- One copy of the PO is sent back to the site/department and the other copies are filed – one in a numerical file and another in the assistant's pending files to be used in the accounts payable process above.

If the district decides to use the online QSS electronic purchase order system, extensive training should be provided to all employees involved.

FCMAT's conversations with district staff revealed that POs are not used in approximately 25% of the district's purchasing transactions. Best business practices include the completion and approval of POs prior to each purchase to ensure that the necessary funds are encumbered and to protect against over-expenditure. The district should utilize open purchase orders to assist with numerous small purchases. BP 3000 states, "... the superintendent or designee may create a 'blanket' or 'open' purchase order system for the purchase of minor items as needed from a vendor. He/she shall ensure that the 'open' purchase order system details a maximum purchase amount, the types of items that can be purchased under this order, the individuals authorized to approve purchases, and the expiration date of the 'open' order." Open purchase orders should be issued quarterly to ensure periodic review of usage and compliance with procedures.

Bidding

The California Public Contract Code (PCC) was established by the state Legislature as a guideline and authority for procuring products used by publicly funded agencies. A contract awarded in violation of the bidding laws is illegal, void, and unenforceable. Vendors are presumed to be aware of bidding requirements and, generally, cannot recover payment from a contract rendered illegal. However, this does not preclude the vendor from seeking damages from district officers (including board members) or employees who have misled them in entering into an agreement violating bidding statutes.

As a small district, Sausalito Marin City SD has limited occasions necessitating the use of the bidding process. One of the last requests for bid that the district submitted to vendors was for its food service program. The district went out to bid on May 24, 2011 for the provision of prepared breakfasts, lunches and snacks. The bid stated it would be awarded to the "lowest responsive, responsible bidder." Two bids were received in response to the request for bid and the results were presented to the board at its June 23, 2011 board meeting with a recommendation to award the bid to Preferred Meals, the lowest responsive, responsible bidder. In the alternative, the board could reject all bids and issue another request for bids based on a sound, documented business reason, but district staff noted that they had not found such a reason. The board heard public comment on the issue, including questions regarding food guideline specifications in the request for bid, and voted to reject all bids, revise the bid specifications, go back out to bid and return in July with the results of that bidding process.

The district issued a second request for bids for its food service program stating the program would be awarded to the "lowest responsive, responsible bidder" and that bids would be opened on July 19, 2011. The same two companies supplied the district with bids and the matter was heard by the board at its July 28, 2011 meeting. The district's staff recommended that the contract be awarded based on one vendor's submission being more closely aligned with the "required specifications as approved by the Board." This recommendation is contrary to the award criteria under which the vendors submitted their bids. This suggests that neither the district staff nor the board may be familiar with bidding laws and that this transaction should

be reviewed by their legal counsel. Additionally, if the district has questions regarding bidding requirements, it should immediately contact its legal counsel.

Many projects are subject to bidding under PCC Sections 20111 and 22002, which set bid limits of \$15,000 for public works projects and \$81,000 (for calendar year 2012) for equipment, materials, or supplies to be furnished, sold or leased to the district. The bid limit for public works projects has not been adjusted for many years. However, the limit associated with equipment, materials and supplies is adjusted annually for inflation; the new limit is issued each December and is effective the following January 1. This means that districts must seek competitive bids on projects or purchases/leases costing more than the stated limit. Those limits are to include the entire acquisition, which may be a combination of both goods and services.

Projects for the acquisition of equipment, materials or supplies are easily defined; however, a “public works” project is often confusing. PCC Section 22002 defines a “public project” to include “construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility” and also includes painting, repainting but excludes “minor repainting” and maintenance work. Maintenance work is defined in this section to be “routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes” and includes minor repainting, resurfacing of streets and highways less than one inch, and landscape maintenance (mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems). Preparing a bid package for a public works project is a very involved process, and districts normally rely on their legal counsel to provide sample documents for this process. FCMAT’s conversations with the district’s business manager revealed the district relies on documents from another district. The district should meet with its legal counsel to obtain a complete set of that firm’s competitive bidding documents.

Some items are exempt from bidding requirements or allowed some variation to the normal competitive process:

- Force account/day labor: PCC Section 20114 allows districts with ADA less than 35,000 to use their own maintenance personnel, either permanent or temporary, for “repairs, alterations, additions, or painting, repainting, or decorating upon school buildings, repair or build apparatus or equipment, make improvements to the school grounds, erect new buildings, and perform maintenance” on projects as long as the job does not exceed 350 hours.
- Emergencies: When repairs, alterations, work or improvements are necessary to permit classes to continue, or avoid danger to life or property, the board may, by unanimous vote and the approval of the county office, declare an emergency. (PCC Section 20113)
- Purchasing items through the Department of General Services California Multiple Award Schedule (CMAS) or CALNET Integrated Services contract. (PCC 20118)
- Piggyback bids: This occurs when another public agency has already competitively bid equipment, materials or supplies and their contract with the vendor allows other public agencies to utilize that same contract (PCC Section 20118). However, this cannot include any public works project. Before utilizing a piggyback contract, a copy of the original contract and any addenda should be obtained to be certain that the contract has not expired and to verify that the item(s) the district would purchase are included in the pricing in the contract/addenda.

- Data processing equipment: Normally, the bidding process requires the district to utilize the lowest responsible bidder. However, PCC Section 20118.1 allows the district to select from the "... three lowest responsible bidders for the procurement or maintenance, or both, of electronic data-processing systems and supporting software in any manner the board deems appropriate."
- Technology and telecommunications, related equipment, software and services: PCC Section 20118.2 allows districts to consider other factors beyond price in awarding contracts for these types of purchases. This code section allows "... factors such as vendor financing, performance reliability, standardization, life-cycle costs, delivery timetables, support logistics, the broadest possible range of competing products and materials available, fitness of purchase, manufacturer's warranties, and similar factors in the award of contracts for technology, telecommunications, related equipment, software, and services."
- Transportation services: If the district is contemplating a contract for transportation services in excess of \$10,000 with a person or corporation other than a common carrier, municipally owned transit system or parent/guardian of the students, the board may "... let the contract for the service to other than the lowest bidder." (EC Section 39802)
- Instructional materials: Pursuant to PCC 20118.3, "[t]he governing board of any school district may purchase supplementary textbooks, library books, educational films, audiovisual materials, test materials, workbooks, instructional computer software packages, or periodicals in any amount needed for the operation of the schools of the district without taking estimates or advertising for bids."
- Energy conservation and energy management: Many school districts are reviewing energy measures to generate budgetary savings. Because a district may enter into a contract without going to bid, vendors are eager to provide these services. GC Sections 4217.10 and after permit the district to enter into the agreement provided that the board finds (after a public hearing) that the anticipated cost for the services will be paid for from the energy savings. However, the actual realization of savings varies; some districts have saved a great deal and others have not. Consultation with legal counsel is strongly suggested prior to entering into a contract for these services.
- Insurance: Policies for liability, property loss and group and life coverage may be purchased without going to bid. (GC Section 990, EC Sections 35208 and 17565)
- Professional experts: These are people who will furnish the district with "...special services and advice in financial, economic, accounting, engineering, legal, or administrative matters" and are also to be specially trained, experienced and competent to perform the services as required. (GC Section 53060) This does not apply to architectural and engineering services, as defined by Government Code Section 4529.10, which shall include "... all architectural, landscape architectural, environmental, engineering, land surveying, and construction project management services," which are to be procured by a "... fair, competitive selection process." (GC Sections 4529.10 and 4529.12)
- Other special services and advice: This exemption is subject to the circumstances of each case and could involve collective bargaining issues. The district should consult legal counsel for guidance.

- **Futile and unavailing:** Typically, this involves repeated failure to obtain bids from a competitive bidding process, a sole source for the product, or the lack of a competitive advantage to the district to engage in competitive bidding. These situations occur rarely and should be used only after consulting the district's legal counsel.
- **Perishable foodstuffs/seasonal commodities:** EC Section 38083 allows perishable foodstuffs and seasonal commodities needed in the operation of cafeterias to be purchased without competitive bidding, but districts must adopt rules for such acquisitions.

Districts must also be careful to avoid bid splitting. PCC Section 20116 makes it unlawful to split or separate a project into smaller work orders or projects to evade the competitive bidding process.

The information provided is only a snapshot of the complexities involved in the bidding process. While the district's business manager has experience with competitive bidding, the district should meet with its legal counsel to obtain a complete set of the firm's public works bid documents and to obtain additional training in this area.

Additionally, many items fall below the bid limits, and this is especially true with regard to equipment, materials and supplies. Although an item may not legally require a formal bid, the district has a duty to exercise fiscal responsibility with taxpayer funds. Consequently, best practice would be to establish a policy whereby three quotes must be obtained items for items exceeding a specified amount.

Credit Cards

Credit cards are typically issued to employees so they can purchase from vendors that may not accept purchase orders, or to expedite purchases such as conference registration fees. The district limits the personnel who are issued district credit cards; however, there are no established practices for issuance. Best practices for managing a district credit card program include:

- Issuing each credit card in both the individual's name and the district's name to help distinguish personal cards from district credit cards.
- Establishing reasonable credit limits on each card. Some districts start with a lower limit and then adjust periodically as usage is monitored to ensure that policies and procedures are being followed. The district has issued one credit card to the business manager for use by the business office, with a limit of \$25,000. This limit is excessively high.
- Ensuring that each person issued a credit card signs a credit card usage agreement that provides specifics of the district's credit card program. An effective agreement requires the individual to acknowledge receipt of the card and agree to the district's terms for its use and for reimbursement procedures. A sample user agreement is attached as Appendix G to this report.
- Requiring a purchase order for all goods and services, with the exception of some travel expenses.

5. Take immediate steps to construct separate travel request and reimbursement forms that more closely meet its needs.
6. Establish meal and mileage rates for use in employee travel.
7. Implement the procedures outlined above regarding travel expenditures.
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- Professional experts: These are people who will furnish the district with "...special services and advice in financial, economic, accounting, engineering, legal, or administrative matters" and are also to be specially trained, experienced and competent to perform the services as required. (GC Section 53060) This does not apply to architectural and engineering services, as defined by Government Code Section 4529.10, which shall include "... all architectural, landscape architectural, environmental, engineering, land surveying, and construction project management services," which are to be procured by a "... fair, competitive selection process." (GC Sections 4529.10 and 4529.12)
- Other special services and advice: This exemption is subject to the circumstances of each case and could involve collective bargaining issues. The district should consult legal counsel for guidance.

- **Futile and unavailing:** Typically, this involves repeated failure to obtain bids from a competitive bidding process, a sole source for the product, or the lack of a competitive advantage to the district to engage in competitive bidding. These situations occur rarely and should be used only after consulting the district's legal counsel.
- **Perishable foodstuffs/seasonal commodities:** EC Section 38083 allows perishable food stuffs and seasonal commodities needed in the operation of cafeterias to be purchased without competitive bidding, but districts must adopt rules for such acquisitions.

Districts must also be careful to avoid bid splitting. PCC Section 20116 makes it unlawful to split or separate a project into smaller work orders or projects to evade the competitive bidding process.

The information provided is only a snapshot of the complexities involved in the bidding process. While the district's business manager has experience with competitive bidding, the district should meet with its legal counsel to obtain a complete set of the firm's public works bid documents and to obtain additional training in this area.

Additionally, many items fall below the bid limits, and this is especially true with regard to equipment, materials and supplies. Although an item may not legally require a formal bid, the district has a duty to exercise fiscal responsibility with taxpayer funds. Consequently, best practice would be to establish a policy whereby three quotes must be obtained items for items exceeding a specified amount.

Credit Cards

Credit cards are typically issued to employees so they can purchase from vendors that may not accept purchase orders, or to expedite purchases such as conference registration fees. The district limits the personnel who are issued district credit cards; however, there are no established practices for issuance. Best practices for managing a district credit card program include:

- Issuing each credit card in both the individual's name and the district's name to help distinguish personal cards from district credit cards.
- Establishing reasonable credit limits on each card. Some districts start with a lower limit and then adjust periodically as usage is monitored to ensure that policies and procedures are being followed. The district has issued one credit card to the business manager for use by the business office, with a limit of \$25,000. This limit is excessively high.
- Ensuring that each person issued a credit card signs a credit card usage agreement that provides specifics of the district's credit card program. An effective agreement requires the individual to acknowledge receipt of the card and agree to the district's terms for its use and for reimbursement procedures. A sample user agreement is attached as Appendix G to this report.
- Requiring a purchase order for all goods and services, with the exception of some travel expenses.

Inventory

Purchasing is often assigned to maintain an inventory of goods purchased by the district. EC Section 35168 states:

“The governing board of each school district shall establish and maintain a historical inventory, or an audit trace inventory system, or any other inventory system authorized by the State Board of Education, which shall contain the description, name, identification numbers, and original cost of all items of equipment acquired by it whose current market value exceeds five hundred dollars (\$500) per item, the date of acquisition, the location of use, and the time and mode of disposal.”

California Code of Regulations Section 3946 states that an inventory shall be maintained of items purchased with consolidated application funds and, further, in accordance with 34 CFR 80.32, a physical inventory shall be conducted of equipment and the results reconciled with property records at least once every two years.

The district utilizes an independent contractor to tag and inventory its technology equipment and relies on the director of maintenance and operations to maintain equipment records in his department. However, the business manager has not received the equipment lists to verify the work performed. The business manager should obtain the equipment listings from the independent contractor and director of maintenance and operations and verify that the work has been completed. If the inventory has not been completed, the district should consider changing vendors to perform a complete equipment inventory and provide the district with procedures to maintain the system established by the new vendor.

Recommendations

The district should:

1. Implement the procedures outlined above with regard to purchase orders.
2. Provide extensive training for all employees involved in purchasing if the online QSS purchase order system is implemented.
3. Utilize open purchase orders for ongoing purchases of inexpensive items from the same vendor. Issue the open purchase orders quarterly in compliance with BP 3300.
4. Consult with legal counsel regarding its July 2011 award of its contract for the food service program.
5. Immediately contact legal counsel with questions regarding bidding.
6. Seek competitive bids on public works projects over \$15,000 and equipment, materials or supplies to be furnished, sold or leased in excess of \$81,000.
7. Meet with legal counsel to obtain a complete set of competitive bidding documents.
8. Provide the business manager with additional training in bidding requirements and procedures.

9. Establish a policy requiring three quotes to be obtained when items exceed a specified amount.
10. Issue district credit cards in both the individual's name and the district's name.
11. Establish reasonable credit limits on each credit card.
12. Ensure that each person issued a credit card signs a usage agreement that provides specifics of the credit card program.
13. Require a purchase order for all purchases of goods and services via credit card, with the exception of some travel expenses.
14. Obtain the equipment listings from its independent contractor and director of maintenance and operations to verify completion of the equipment inventory.
15. If the inventory is incomplete, consider changing vendors to perform a complete equipment inventory and provide the district with procedures to maintain an inventory system.

Personnel

A district's personnel department provides for the recruitment, selection, retention and separation of district employees. These duties are further divided between certificated and classified employees. EC Section 44006 states that "[t]he term 'certificated person' refers to a person who holds one or more documents such as a certificate, a credential, or a life diploma, which singly or in combination license the holder to engage in the school service designated in the document or documents." Classified employees are employed in positions not requiring certification. Substitute and short-term employees employed and paid for less than 75% of a school year, as defined, shall not be part of the classified service. Specifically excluded from classified service are part-time playground positions, full-time and part-time students employed part-time, apprentices, and professional experts employed temporarily for a specific project regardless of the length of employment. (EC Section 45103)

Personnel departments also must be knowledgeable about the content of the district's collective bargaining agreements with employee groups. Sausalito Marin City School District has entered into agreements with the Sausalito District Teachers Association (SDTA) and with California School Employees Association Chapter No. 394 (CSEA). These agreements are complex and contain specific requirements for both the district and the employee group to follow.

The district's Personnel Department consists of the business manager and the assistant to the business manager. The district also shares a superintendent with the Larkspur-Corte Madera School District who, during those days at Sausalito Marin, actively participates in personnel processes. However, prior to this summer's arrival of the current superintendent and business manager, there were no established procedures or flow charts and very few forms related to the Personnel Department. This resulted in the occasional instance of site administrators hiring new employees without board approval or Department of Justice clearance. The Larkspur district's human resources administrative assistant is now helping the district to organize the department and implement personnel forms.

Employee Recruitment/Selection

The employment process begins with the district recognizing the need to fill a new or vacant position. The following procedures are recommended to fill a position:

- For a new position:
 - The site/department requesting the new position completes a change of status form. A memo is attached to the form that provides the superintendent with information regarding the need for the new position, including:
 - The proposed funding source (if not previously indicated by account coding on the form)
 - A copy of the recommended job description and salary range, if it is a new classification and the district will need to meet with the applicable employee bargaining group to negotiate the salary to be attached to the position.
- For a vacant position:
 - The site/department completes a request for job posting and includes verification from the Business Department that the position exists in the position control system and that funds have been allocated to the position. The verification can be in the form of an e-mail.
 - The form is then sent to the business manager to ensure that it contains complete information and to calculate the cost and verify funding.
 - The business manager then submits the documentation to the superintendent for approval.
 - If a new position is approved, it is placed on the board's next regularly scheduled meeting agenda for approval prior to posting.
 - If approved, the position is then posted on school bulletin boards at all school sites. For positions covered by the SDTA, the superintendent is also required to provide SDTA with a written notification of the opening (Article XI.2.b. of the SDTA collective bargaining agreement) and a district-wide meeting held before May 20 to announce any changes in staffing patterns for the coming fiscal year (Article XI.2.a.). The superintendent's written notification to SDTA is to include the closing date for any requests to transfer as well as requirements for the position. Pursuant to Article XI.2.c. of the SDTA collective bargaining agreement, if the opening occurs during the summer and the district has received a request by a teacher, the district will notify the teacher of any posted opening that may arise.
 - The district places all open positions on the human resources page of its website and forwards the information to the county office to include on their website. The open position announcements can be sent to other established organizations with websites that post K-12 job openings such as EdJoin (a statewide education job web site) and to the Association of California School Administrators career center website and weekly newspaper.
 - Applicants submit paperwork to the Personnel Department to be screened for completeness and compliance with qualifications for the position.

- Qualified candidates are placed on a position candidate list, and the list is submitted to the site administrator/department head with a request to further review the applicants' packages at the district office.
- Candidates that pass the review process are then provided with the opportunity to interview with the district. The business manager or designee then:
 - Sets up appointments for pre-employment testing, as applicable.
 - Coordinates among district administration (including the superintendent), site administrator and the bargaining units to convene an interview panel.
 - Collaborates with the site administrator/department head to draft and establish a list of questions to be asked of each interview candidate.
 - Sets the date for the interviews with the interview panel.
 - Calls or arranges for a district staff member to call each candidate and schedule interview dates and times.
 - Provides interview panels with appropriate materials to make their selection, e.g., scoring scale, scoring sheet, etc. and confidentiality agreements.
- The top two or three candidates then undergo a secondary screening level that may consist of an additional interview or a test, or classroom observation for certificated candidates.
- The site administrator/department head then completes a reference check on the candidate with the top score. The results of that reference check are provided to and discussed with the business manager.
- If the results of the reference check and discussion with the business manager result in a decision to hire the candidate, the site administrator/department head completes recommend for hire and change of status forms that are submitted to the business manager for processing, and the candidate is contacted with an offer of employment. Currently, the site administrator/department head extends the offer of employment; however, the district may want to have the business manager make the offer to ensure that special terms of employment are not offered to the candidate without district knowledge.
- At this point candidates are required to provide the following documents and data to the district. Clearance of all document/data requirements must be in place prior to the employee's first day of work.
 - Certificate(s), credential(s), or life diploma must be registered with the county office of education. (EC Sections 44330, 44830-44830.2)
 - New employees, including substitutes and temporary employees, must be fingerprinted. Fingerprints are submitted to the Department of Justice, where a criminal background check is conducted. (EC Sections 44332.6, 44830.1, 45125-45125.01)
 - Pre-employment physical examinations required by law or governing board regulation may be performed at district expense if the applicant is subsequently employed. Physical examinations required for continuance in employment are provided at the district's expense. (EC Sections 44839,

45122; GC Section 12940) While these are the guidelines contained in code, the district's current contract with its classified bargaining unit states that any medical examinations required as a condition of employment or continued employment are provided by the district.

- New employees must file a certificate signed by a California-licensed physician indicating that the employee was examined within the past 60 days and is free from active tuberculosis. Pregnant employees are temporarily exempted. (EC Sections 45106, 49406)
- An employee must complete an Employees' Withholding Exemption Certificate (W-4). A Social Security number is required as an identification number for income taxes, state retirement, and payroll processing purposes. Form W-4 or Form DE34, Report of New Employee(s), is filed with the California Employment Development Department within 20 days of an employee's "start to work" date. (Unemployment Insurance Code Section 1088.5)
- The federal Immigration Reform and Control Act of 1986 (IRCA) requires employers to verify the immigration status of all new employees using Form I-9 (revised 8-7-09) (P.L. 99-603). These forms should be maintained in a separate binder so that they may be viewed in the event of a federal audit separate from an employee's personnel file.
- New employees, except aliens legally employed, must take an oath indicating intent to support and defend the Constitutions of the United States and the state of California. (GC Section 3101-3105)
- All employees who are child care custodians or health practitioners, as defined by Penal Code Section 11166.5, are required to report known or suspected instances of child abuse. Persons assigned to such positions shall sign a Child Abuse Acknowledgement form indicating their understanding of this responsibility.
- Districts are required to adopt a policy establishing a drug-free workplace and to notify employees of the provisions of this policy. (41 USC Section 701-7; GC Section 8350-8357) Use of an acknowledgement form certifies that an employee has been informed of his or her obligations under governing board policy and state and federal law.
- Classified employees are covered under the California Public Employees' Retirement System (PERS). Membership election forms are completed at the time of employment. Certificated employees are covered under the California State Teachers' Retirement System (STRS) Defined Benefit or Cash Balance plan. Employees who have previously been employed in any capacity by a school district or public agency in California are required to file a Verification of Membership Status in a California Public Retirement System.
- Districts are required to provide employees information about workers' compensation benefits at the time of hire. Most insurance carriers provide a brochure for this purpose or one can be obtained from the state Division of Workers' Compensation. Employees may be asked to complete an acknowledgement of receipt of this information. (Labor Code Section 3550-3551)

- Employees who may use district-owned vehicles or their private vehicles on school district business are required to have a valid California driver's license for the type(s) of vehicle to be operated. Employees who use personal vehicles for district business must meet insurance responsibility requirements. The governing board may establish levels of insurance coverage that exceed state minimum requirements. (Vehicle Code Section 16451)
- Once the successful candidate has accepted the district's offer of employment, the business manager contacts the unsuccessful candidates either by letter or phone. If the contact is made by phone, the business manager makes notes as to the date, time and any pertinent items discussed during the phone conversation.
- The candidate's hiring is carried to the board for approval at its next regularly scheduled meeting unless approval is needed immediately, in which case a special board meeting is called.
- The change of status form and evidence of board approval for the hiring of the employee then follows the policies and procedures set forth for position control and discussed elsewhere in this report.
- New employee orientation is held shortly before the new employee's first day of work, or on the first day of employment.
 - If the new employee is at the management level, as designated in the district's conflict of interest code, a Statement of Economic Interests, Form 700, from the Fair Political Practices Commission is also provided for completion.
- Transfers
 - Classified employees:
 - After the position is posted, employees wishing to transfer obtain a change of status form, complete the applicable portions and obtain the necessary approval per Article XII of the CSEA collective bargaining agreement.
School secretaries and instructional aides obtain approval of the supervisor at the school to which they wish to transfer. Other employees first obtain the approval of their current supervisor.
 - The change of status form is delivered to the business manager for review and to determine if there are qualified transfer candidates.
 - If no qualified transfer candidates exist, the vacancy is opened and posted to all outside candidates, and procedures related to new hires are followed.
 - If there are qualified transfer candidates, the successful candidate is then notified by the business manager.
 - Certificated employees:
 - Upon announcement and posting of vacancies at the district but before the final filing date, the employee files a written request for transfer with the superintendent.
 - The district confirms receipt of the request within five days.

- Selection of the candidate is based on “established selection procedures” pursuant to Article XI.3.d. of the SDTA collective bargaining agreement. However, the procedures are not explained in the contract nor is there institutional knowledge of what they were in the past. The district and the SDTA should come to a written mutual agreement on their definition.
- Notice of the transfer is provided to the employee within a reasonable time to allow for preparation of the new assignment.

The employment application forms provided to FCMAT were dated December 2010, but district administration reported that the application has not been updated in many years. The application lacks information such as a notice that applicants will have to undergo fingerprint clearance per EC Section 45125(a). The applicant does not certify under penalty of perjury that the statements made in the application are true and correct or agree to a physical examination should one be required upon hiring. The application does not provide for employment consequences should false statements be made.

The district’s business manager has directed district office personnel to maintain employment applications/packets at the district office to ensure confidentiality of the applicant(s) and their information. Despite this directive, office staff has allowed packages to be sent to sites and departments for the supervisor to review prior to applicant interviews. When questioned about the rationale behind this breach in confidentiality, the employee responds that this has been done in the past and that the supervisor should be able to review the packets prior to the interview. This indicates a lack of understanding of the confidential nature of the information.

The district does not require pre-employment testing and the employment applications do not include a supplemental application form, which can be helpful in the screening process, especially as a test for classified positions. Examples of these documents may be obtained from other school districts, or the district should consider membership in an organization such as the Cooperative Organization for the Development of Employee Selection Procedures (CODESP). By utilizing CODESP services, members can often improve their selection procedures for classified positions and develop valid employee test instruments to meet federal and state employment regulations. Members can maximize staff resources by using the CODESP Automated Test System (CATS). The online bank includes multiple-choice questions developed to test applicants on their job knowledge in a variety of subject areas. Other test materials available online to members include interview questions, performance examinations, writing exercises and supplemental application forms. If appropriate test materials cannot be found online, CODESP staff will develop custom materials for the member agency. Test materials and an online Job Description Builder are available to member agencies directly through CODESP’s password-protected secure website.

CODESP also offers training and other professional development activities so that members can develop and maintain professional knowledge and skills in employee selection. Cooperative Personnel Services (CPS), a self-supporting public agency based in Sacramento, also provides human resource services to public, government and nonprofit clients in the western U.S. Pertinent subjects include developing recruitment and selection plans to comply with Equal Employment Opportunity law, adverse impact and test validation, position classification and compensation practices in the public sector, and leaves and benefits administration. This training would increase staff knowledge of the full range of duties typically performed in educational personnel departments.

The district has not adopted standard forms for use in paper screening, interview scoring and reference checking but is using Larkspur's district forms as templates.

The Equal Employment Opportunity Commission (EEOC) provides standards called the Uniform Guidelines on Employee Selection Procedures. These guidelines require employers to demonstrate that each examination they administer, including paper screening, written, oral, and performance tests, does not show adverse impact. An adverse impact is a substantially different rate of selection in hiring, promotion or other employment decision that works to the disadvantage of members of a race, sex, ethnic, or other protected group under Title VII of the Civil Rights Act. If adverse impact is present, employers must demonstrate that their exams are valid.

Employers demonstrate test validity by defining important knowledge, skills, abilities, and other qualifications and how they are actually used on the job, and developing or purchasing examinations that specifically measure these. The safest approach is for employers to document that the screening criteria for all selection procedures are job-related and valid. Oral rating instruments, screening forms, and other selection materials should reflect important and critical knowledge, skills, abilities, and other qualifications linked directly to important tasks performed on the job.

Employee Retention

Employees have many interactions with the district's Personnel Department. Chief among these is the annual evaluation process. The interval between evaluations depends on which bargaining unit the employee belongs to as well as whether the employee is a permanent employee or still in their probationary period. The classified collective bargaining agreement provides for permanent employees to be evaluated annually. An employee who has received two consecutive satisfactory evaluations may be evaluated every other year. If a permanent employee's evaluation indicates improvement is needed, the district is to provide a follow-up evaluation after three working months to determine if improvement has occurred. However, new probationary employees are to receive evaluations at their fourth and eighth months of their nine-month/180-workday probationary period, while transfer probationary employees have a three-month probationary period and receive evaluations at the end of six and 12 months. Supervisors are also required to meet with the employee by the end of October each year to review the evaluation form and contract language, and complete the evaluation by the end of May each year.

Article XII of the SDTA collective bargaining agreement provides the district with the parameters under which certificated employees are to be evaluated. Again, this is driven by whether the employee is permanent or probationary, with probationary employees (those with less than two years of service at the district) receiving annual evaluations. Permanent certificated employees are evaluated every two years. Those with at least 10 years of service with the district, certified as highly qualified under No Child Left Behind (NCLB) and whose most recent evaluation reflected he/she met standards are allowed, with agreement between the evaluator and evaluatee, to complete an evaluation every three years. The collective bargaining agreement also outlines the conditions for pre-evaluation meetings, observations, visitations and formal evaluation meetings.

Due to the complexities of the evaluation process and the deadlines contained in the collective bargaining agreement, the district should implement a calendaring system to track the deadlines for employee evaluations. FCMAT's inquiries regarding the district's system for tracking evaluation deadlines revealed that site administrators/department heads are responsible for meeting contract deadlines. The district's Personnel Department should notify sites/departments regarding deadlines for employee evaluations and track compliance with the deadlines.

Along with evaluations, supervisors are tasked with the duty of documenting employee performance. Most often the need to document employee performance occurs when an employee fails to perform satisfactorily. The evaluator should provide constructive criticism and accurately communicate the facts, the rule violated, the impact of the violation and the directive for improvement. Failure to adequately communicate these points can result in confusion to the employee about the issue and how to remedy the problem. One of the most common trainings in this area for school district employees is the FRISK Documentation Model authored by the law firm of Atkinson, Andelson, Loya, Ruud & Romo. This model also can assist the district in cases where a record of employee discipline is needed.

If, after these efforts, employees are unsuccessful, the district must be prepared to document the problems/behaviors and issue appropriate warnings/notices/letters as provided by collective bargaining agreements and district policies.

The Personnel Department also should ensure that the district and employees are in compliance with state and federal regulations such as:

- Annual employee notices.
- Annual completion of the Form 700, Statement of Economic Interests (for management level employees only).
- Monitoring of TB test expiration dates and reminders to employees. The district is in the process of entering this data into the district's QSS system for better tracking.
- Monitoring the expiration dates of certificated employees' credentials and sending reminders for renewal. While the county office maintains these records and sends notifications to the district's certificated employees, the district is entering this data into the district's QSS system to allow tracking of expiration dates.
- Sexual harassment training for supervisory employees every two years (required if the district employs 50 or more people). (GC Section 12950.1)
- Posting of the required, most up-to-date state and federal legal employment notices in staff lounges.

In addition to duties that ensure compliance with state and federal regulations, the district should provide an annual notice to each employee to confirm their vacation and personal necessity/sick leave balances. This practice would allow both the employees and the district to review their balances to ensure that amounts are correct, prevent employees from carrying over amounts in excess of those allowed in collective bargaining agreements and avoid large payouts when employees terminate or retire from district service.

Employee Separation

Resignations

EC Sections 44930 and 45201 govern the resignations of certificated and classified employees, respectively. For both certificated and classified personnel, the governing board may accept the resignation of any employee and may fix the time when the resignation shall take effect, which shall not be later than the close of the school year during which the resignation is received by the board. An employee and the governing board of a school district may agree that a resignation

will be accepted at a mutually agreed upon date not later than two years beyond the close of the school year during which the resignation is received by the board.

The district should adopt the following procedures regarding resignations:

- Require the resignation to be presented to the personnel department/business manager in writing, dated and signed by the employee and include the effective date of the resignation.
- The business manager presents the employee's resignation letter to the superintendent for signature.
- The resignation is placed on the next regularly scheduled board meeting agenda by the business manager for board acceptance.
- The business manager completes the change of status form so that it can proceed through position control and payroll procedures as outlined previously in the report.
- If the site administrator/department head wishes to fill the vacancy, complete and submit a request for job posting to be processed per the employee recruitment procedures above.
- On the employee's last day with the district, the business manager conducts checkout procedures to collect such items as timesheets, keys, identification badges, district-issued credit cards, cell phones, etc. Some districts also conduct an exit interview.

Retirements

Classified employees are eligible for retirement at attainment of the age of 50 if credited with five years of state service in the Public Employees' Retirement System (PERS) and, per EC Section 45134 there are no minimum or maximum age requirements for continued employment in the classified service. For certificated employees, EC Section 24201 states that an employee may retire at age 55 with at least five years of credited service.

The district should adopt the following procedures regarding retirements:

- Require the notice of retirement to be provided to the personnel department/business manager in writing, dated and signed by the employee, and specify the effective date. Make clear to the retiring employee that they are responsible for ascertaining their benefits and filing all necessary retirement documentation with PERS or STRS. The district completes all documentation required of it by PERS or STRS.
- The business manager presents the employee's retirement letter to the superintendent for signature.
- The retirement is placed on the next regularly scheduled board meeting agenda by the business manager for acceptance by the board.
- Complete the change of status form (done by the business manager) so it can proceed through position control and payroll procedures as outlined previously in this report.
- If the vacancy is to be filled, the department head/site administrator completes a request for job posting and submits it for processing per the employee recruitment procedures above.
- On the employee's last day with the district, the business manager conducts check-out procedures to collect items such as timesheets, keys, identification badges, district-issued credit cards, and cell phones. Some districts conduct an exit interview with the retiree.

Layoffs

Layoffs for both classified and certificated personnel are governed by Education Code and are a very complex and regimented process. A reduction in the number of classified employees may only be made because of lack of work or lack of funds. EC Section 45117 defines notification periods for employees who are subject to layoff due to expiration of a specially funded program or a reduction or elimination of service. Employees shall be laid off in reverse order of seniority within the classifications of eliminated positions. The impact and effects of the decision to lay off employees is subject to collective bargaining. (EC Sections 45114, 45298, 45308)

For certificated employees, EC Section 44955 states that reductions in permanent employees may be made due to a reduction in the district's ADA, because particular kinds of services will no longer be needed in the coming school year, or because state law has been amended, thus modifying curriculum. Employees shall be laid off in reverse order of seniority, and collective bargaining agreements very often contain tie-breaker criteria in the event two employees entered paid service with the district on the same date. Certificated employees are provided preliminary notices by March 15, may request a hearing to determine if there is a cause for not reemploying him/her, and final notices are served by May 15. The rights of terminated permanent employees are contained in EC Section 44956 and include, among other items, the right to serve as a substitute in the order of original employment. If the terminated permanent employee serves as a substitute "... for any 21 days or more within a period of 60 schooldays, the compensation the employee receives for substitute service in that 60-day period, including his or her first 20 days of substitute service, shall be not less than the amount the employee would receive if he or she were being reappointed."

This is a limited summary of layoffs. The process is very technical and may require the district to seek substantial legal expertise depending on the experience of the district's business manager in this area. If the district considers a reduction of force, it should work with legal counsel to guide it through the timelines, board agenda items, notices, hearings and any other documentation needed to take this action.

Dismissals

Dismissals, like reductions in force, must follow legal requirements and involve the district's documentation of progressive discipline along with examination of board policy, collective bargaining agreements, notices to employees, board agenda items and hearings. The actions needed for an employee dismissal vary depending upon whether the employee is probationary or permanent, classified or certificated. Should the district need to dismiss or take progressive disciplinary action regarding an employee, it should seek the advice of legal counsel.

All of the information gathered regarding an employee's service with the district should be maintained in a personnel file. This file contains personal information, including evaluations and information that could be used to duplicate a person's identity. For those reasons, the files should be kept in a locked, fireproof cabinet. FCMAT observed that the district's personnel files were not stored properly, and the district's administrators reported that the files were in disarray, with items missing. The district should purchase secured cabinets for the personnel files and should review each employee's files for completeness. The limited number of district staff may necessitate the contracting of external services that could provide the necessary expertise in personnel and human resource issues.

In addition to the items discussed in this section, FCMAT has developed an extensive list of standards for personnel management functions in public school agencies. These standards cover the general functions of the department such as policies and procedures, job descriptions, internal and external communication, employee recruitment, selection, orientation and training, legal compliance with state and federal laws, use of technology, staff training, evaluation and due process procedures, employee services, and employer and employee relations. The standards may be accessed and downloaded at the following Web address:

<http://wwwstatic.kern.org/gems/fcmat/FCMATStandards2009.pdf>.

Recommendations

The district should:

1. Implement the procedures outlined above for employee recruitment/selection.
2. Submit the certificated and classified employment application forms to legal counsel for evaluation.
3. Adopt standardized forms for use in the employee selection process.
4. Consider obtaining the book entitled *Adverse Impact and Test Validation: A Practitioner's Guide to Valid and Defensible Employment Testing, 2nd Edition* by Dan Biddle, which provides specific instructions for meeting selection requirements.
5. Provide explicit direction to any employee releasing employment information that this violates district procedure, and take any necessary disciplinary action should this reoccur.
6. Send personnel staff members to training conducted by CODESP and/or CPS on a variety of pertinent subjects.
7. Implement a calendaring system in the Personnel Department to track the deadlines for employee evaluations.
8. Provide sites/departments with notifications from the Personnel Department regarding deadlines for employee evaluations, and track compliance with the evaluation deadlines.
9. Provide district administrators/department heads with training in documenting employee performance.
10. Perform annual and periodic duties to ensure compliance with state and federal regulations with regard to:
 - a. Annual employee notices.
 - b. Annual completion of the Form 700, Statement of Economic Interests (for management level employees only).
 - c. TB testing.

- d. Credential renewals for certificated employees.
 - e. Sexual harassment training for supervisory employees every two years (GC Section 12950.1)
11. Ensure that the required current state and federal legal employment notices are posted in staff lounges.
 12. Provide annual notice to each employee to confirm their vacation and personal necessity/sick leave balances.
 13. Implement the procedures outlined above for employee resignations and retirements.
 14. Work with legal counsel in the event of personnel layoffs for guidance on timelines, board agenda items, notices, hearings and any other necessary procedures.
 15. Seek advice from legal counsel regarding dismissal or progressive discipline action against an employee.
 16. Purchase locking, fireproof cabinets for personnel files, and review each employee's files for completeness.
 17. Consider an independent consultant arrangement to assist with the review and cleanup of employee personnel files.
 18. Review all the FCMAT Personnel Standards to help develop best practices for personnel operations.

Qualified Zone Academy Bonds (QZABs)

In December 2002, the district issued \$1 million in authorized Qualified Zone Academy Bonds (QZABs). The bonds were for capital improvements to be performed at Bayside Elementary School and Martin Luther King Jr. Academy.

QZABs are U.S. debt instruments created by Section 226 of the Taxpayer Relief Act of 1997. QZABs allow certain qualified schools to borrow funds at nominal interest rates, which can be as low as zero percent, for costs incurred in connection with the establishment of special programs in partnership with the private sector.

Public schools (K-12) located in empowerment zones or enterprise communities and public schools with 35% or more of the student body meeting the eligibility requirements for the National School Lunch Program for free and/or reduced-price meals are eligible to participate.

A zone academy must be created for a school district to participate. The academy must create programs to enhance the curriculum, increase graduation rates, improve employment opportunities, and better prepare students for the workplace or higher education.

Funds can be used for renovation and rehabilitation projects, as well as equipment purchases, which can include computers. QZABs are not approved for new building construction. The school district must obtain matching funds from a private-sector partner equal to at least 10% of the cost of the proposed project. All state and local laws applicable to bonds also apply to QZABs, including Section 148 of the IRS Code regarding arbitrage.

A qualified lender as defined by the law must purchase bonds. Qualified lenders can be insurance companies, some banks or other corporations actively engaged in lending with each qualifying entity, as determined by the Internal Revenue Code governing each. The lender receives a tax credit in lieu of interest payments from the school. The IRS determines the amount of this tax credit. Setup fees, discounts on equipment purchased with QZAB funds, or contributions associated with the district's construction projects are not eligible for the tax credit.

The following table summarizes the district's projected budget for the QZAB financing:

SCHOOL	Description	Projected Cost
Bayside Elementary	Remodel multipurpose	\$272,000
	Upgrade kitchen	\$123,000
	Purchase of kitchen equipment	\$110,000
Total Cost Bayside		\$505,000
Martin Luther King	Classroom upgrades for science lab	\$285,000
	Remodel for multimedia center	\$160,000
Total Cost of MLK		\$445,000
Cost of Issuance		\$50,000
Total Projected QZAB Spending Plan		\$1,000,000

In FCMAT's review of the QZAB financing, bond proceeds were appropriately spent on district projects qualifying under the zone academy requirement for facilities at Bayside Elementary and Martin Luther King Jr. Academy. During the review process, district administration raised questions regarding the spending plan, the legal authority to use QZAB funding at the Bayside Elementary School because the Willow Creek Academy Charter School occupies the same facility, and why the total bond proceeds were not expended on much needed facilities at the Martin Luther King Jr. Academy.

Based on FCMAT's review of the QZAB documentation, the use of the proceeds from the QZAB bond sale and facility improvements at both schools is consistent with the requirements of the issuance and relevant IRS code sections. Although Willow Creek Academy Charter School is a direct funded charter school approved in 2001 pursuant to EC Section 47605 and the district had no financial or legal obligation to improve the facilities leased to the charter school, the school buildings and surrounding property are owned by the district and therefore qualify as an allowable expenditure under QZAB financing.

Upon the receipt of funds after the sale of the bonds, the district was required to complete the approved projects on district-owned facilities, and to enter into a partnership with a private party to receive in-kind contribution of services valued at no less 10% of the bond proceeds. The district has complied with both requirements by completing the planned projects at Bayside Elementary and Martin Luther King Jr. Academy, and entering into a partnership with and receiving services from Cyber Learning, a project of the National Education Foundation.

School District Facility Obligations

Under Proposition 39, the district must provide facilities to district-authorized charter schools that are comparable to those provided to district students. The following is a recap of the Proposition 39 responsibilities for the district as the authorizing entity and the charter school:

Proposition 39, introduced in the November 2000 ballot, amended California Education Code (EC) Section 47614, with the intent that public school facilities should be shared fairly among all public school pupils, including those in charter schools.

EC Section 47614 requires that school districts make available, to all charter schools operating in their school district with projections of at least 80 units of average daily attendance (ADA), facilities that will sufficiently accommodate all of the charter's in-district students, and that facilities are "reasonably equivalent" to other classrooms, buildings, or facilities in the district.

EC Section 47614(b)(1) states that school districts may charge a charter school a pro-rata share of the facilities costs which the school district pays for with unrestricted general fund revenues. The pro-rata share is based on the ratio of space allocated by the school district to the charter school divided by the total space of the district. Charter schools shall not be otherwise charged for use of the facilities.

The State Board of Education (SBE) adopted regulations (California Code of Regulations, Title 5 [5 CCR] sections 11969.1, 11969.2, 11969.3, 11969.4, 11969.5, 11969.6, 11969.7, 11969.8, 11969.9, 11969.10, 11969.11) to define key provisions such as the opportunity for districts and charter schools to develop mutually agreed upon alternatives to specific compliance with EC Section 47614 (such as funding for

leases), calculation of the pro-rata share charge, reimbursement rates for over-allocated space, location, procedures for timelines, and the following reporting requirements:

- Each charter school that received facilities under EC Section 47614 shall report the per-square-foot charge paid in the current fiscal year to the California Department of Education (CDE).
- The CDE shall post the per-square foot charge on its publicly accessible website.
- The CDE shall provide school districts the opportunity to provide additional information regarding the per-square-foot charge calculation.

Each operating charter school in California was provided the opportunity to self-report the per-square-foot charge to the CDE via the Charter School Annual Survey. The following was submitted to the CDE for the Willow Creek Academy Charter:

2009-10 Per-Square-Foot Charge Reported by Charter Schools that Acquired Facilities Pursuant to Proposition 39 (California Education Code Section 47614)*

County Name	Authorizing LEA / Facility Provider (if different than authorizer)	School Name	Funding Type	Per-Square-Foot Charge	CDS Code	District Comment
Marin	Sausalito Marin City	Willow Creek Academy	Direct	2% of Public Revenue	21-65474-6118491	None submitted

*Created June 29, 2011 by CDE; updated December 27, 2011

The present occupation and use of the improved facilities at Bayside Elementary by the Willow Creek Academy Charter School does not conflict with QZAB requirements. The district retains full ownership and is responsible for capital maintenance requirements of the complete campus and provides facilities pursuant to Proposition 39 requirements.

Recommendations

The district should:

1. Develop a five-year facilities master plan that incorporates demographics, student enrollment, facility capacity, capital improvements and funding methodologies to support student housing needs.
2. Review the applicable lease costs associated with the space provided to WCA, if any, each fiscal year with data derived from the annual independent auditor's report.



Appendices

Appendix A - Study Agreement

Appendix B - FCMAT's Fiscal Health Risk Analysis

Appendix C - Sample Payroll Distribution Sheet

Appendix D - Sample Conference Attendance Request

Appendix E - Sample Conference Reimbursement Request

Appendix F - Hotel/Motel Transient Occupancy Tax Waiver Exemption Claim Form

Appendix G - Sample Revolving Fund Check Request

Appendix H - Sample Credit Card Usage Agreement

Appendix A

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

CSIS California School Information Services

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
October 13, 2011

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the Sausalito Marin City School District, hereinafter referred to as the District, mutually agree as follows:

1. BASIS OF AGREEMENT

The Team provides a variety of services to school districts and county offices of education upon request. The District has requested that the Team provide for the assignment of professionals to study specific aspects of the Sausalito Marin City School District operations. These professionals may include staff of the Team, County Offices of Education, the California State Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this Agreement.

In keeping with the provisions of AB1200, the County Superintendent will be notified of this agreement between the District and FCMAT and will receive a copy of the final report. The final report will be published on the FCMAT website.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

1. The Sausalito Marin City School District is requesting the FCMAT Team to conduct a comprehensive review of the central office and administrative functions which shall include board policies, administrative regulations, budget development, financial reporting, direct service options from the County Office, payroll, position control, accounts payable, purchasing and personnel. The Team will make recommendations to increase the efficiency of the school district's operations.

2. The District is the authorizing entity for a direct funded charter school. The Team will review the district's budget practices including expenditures of funds from Qualified Zone Academy Bonds for the Willow Creek Academy Charter School and make recommendations, if any.

B. Services and Products to be Provided

Orientation Meeting - The Team will conduct an orientation session at the District to brief District management and supervisory personnel on the procedures of the Team and on the purpose and schedule of the study.

On-site Review - The Team will conduct an on-site review at the District office and at school sites if necessary.

1. **Exit Report** - The Team will hold an exit meeting at the conclusion of the on-site review to inform the District of significant findings and recommendations to that point.
2. **Exit Letter** - The Team will issue an exit letter approximately 10 days after the exit meeting detailing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
3. **Draft Reports** - Sufficient copies of a preliminary draft report will be delivered to the District administration for review and comment.
4. **Final Report** - Sufficient copies of the final study report will be delivered to the District administration following completion of the review.
5. **Follow-Up Support** – Six months after the completion of the study, FCMAT will return to the District, if requested, to confirm the District's progress in implementing the recommendations included in the report, at no cost. Status of the recommendations will be documented to the District in a FCMAT Management Letter.

3. **PROJECT PERSONNEL**

The study team will be supervised by Anthony L. Bridges, CFE, Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- | | |
|---------------------|--------------------------------|
| A. Julie Auvil | Fiscal Intervention Specialist |
| B. To be determined | FCMAT Consultant |
| C. To be determined | FCMAT Consultant |

Other equally qualified consultants will be substituted in the event one of the above noted individuals is unable to participate in the study.

4. PROJECT COSTS

The cost for studies requested pursuant to E.C. 42127.8(d)(1) shall be:

- A. \$500.00 per day for each Team Member while on site, conducting fieldwork at other locations, preparing and presenting reports, or participating in meetings.
- B. All out-of-pocket expenses, including travel, meals, lodging, etc. The District will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon acceptance of the final report by the District.

Based on the elements noted in section 2 A, the total cost of the study is estimated at \$10,500.

- C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services are payable to Kern County Superintendent of Schools - Administrative Agent.

5. RESPONSIBILITIES OF THE DISTRICT

- A. The District will provide office and conference room space while on-site reviews are in progress.
- B. The District will provide the following (if requested):
 - 1. A map of the local area
 - 2. Existing policies, regulations and prior reports addressing the study request
 - 3. Current or proposed organizational charts
 - 4. Current and two (2) prior years' audit reports
 - 5. Any documents requested on a supplemental listing
 - 6. Any documents requested on the supplemental listing should be provided to FCMAT in electronic format when possible.
 - 7. Documents that are only available in hard copy should be scanned by the district and sent to FCMAT in an electronic format.
 - 8. All documents should be provided in advance of field work and any delay in the receipt of the requested documentation may affect the start date of the project.

- C. The District Administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the Team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with pupils. The District shall take appropriate steps to comply with EC 45125.1(c).

6. **PROJECT SCHEDULE**

The following *tentative* schedule outlines the planned completion dates for key study milestones:

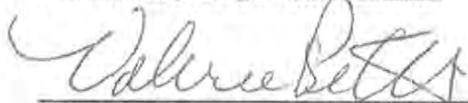
Orientation:	October/November pending board approval
Staff Interviews:	to be determined
Exit Interviews:	to be determined
Preliminary Report Submitted:	to be determined
Final Report Submitted:	to be determined
Board Presentation:	to be determined
Follow-Up Support:	If requested

7. **CONTACT PERSON**

Name of contact person: Paula Rigney, Business Manager

Telephone: (415) 332-3190 X205 FAX: (415) 332-4411

E-Mail: prigney@marin.k12.ca.us


 Valerie Pitts, Superintendent
 Sausalito Marin City School District

10-13-11
 Date


 Anthony L. Bridges, CFE
 Deputy Executive Officer
 Fiscal Crisis and Management Assistance Team

October 13, 2011
 Date

Appendix B

Fiscal Health Risk Analysis

Key Fiscal Indicators



The Fiscal Health and Risk Analysis was developed by FCMAT as a management tool to evaluate key fiscal indicators that will assist a school district in measuring its financial solvency for the current and two subsequent fiscal years as recommended by AB 1200. The presence of any single criteria is not necessarily an indication of a district in fiscal crisis. However, districts exceeding the risk threshold of six or more “No” responses may have cause for concern and require some level of fiscal intervention. Diligent planning will enable a district to better understand its financial objectives and strategies to sustain its financial solvency. A district must continually update its budget as new information becomes available from within the district or from other funding and regulatory agencies.

The Fiscal Health and Risk Analysis includes 17 components of key fiscal indicators to measure a district’s potential risk. Any of the 17 individual components receiving a simple majority of “No” responses to the questions it contains should be rated with an overall “No” response.

<i>Is the district’s fiscal health acceptable in the following areas?</i>	Yes	No	N/A
1. Deficit Spending	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Is the district avoiding deficit spending in the current year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Is the district avoiding deficit spending in the two subsequent fiscal years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Has the district controlled deficit spending over the past two fiscal years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Is the issue of deficit spending addressed by fund balance, ongoing revenues, or expenditure reductions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Has the board approved a plan to eliminate deficit spending?			
2. Fund Balance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Is the district’s fund balance at or consistently above the recommended reserve for economic uncertainty?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Is the fund balance stable or increasing due to ongoing revenues and/or expenditure reductions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Does the fund balance include any designated reserves for unfunded liabilities or one time costs above the recommended reserve level?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Reserve for Economic Uncertainty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Is the district able to maintain its reserve for economic uncertainty in the current and two subsequent years based on current revenue and expenditure trends?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Does the district have additional reserves in Fund 17, Special Reserve for Non Capital Projects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• If not, is there a plan to restore the reserve for economic uncertainties in the district’s multiyear financial projection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Is the district's fiscal health acceptable in the following areas? Yes No N/A

4. Enrollment Yes No N/A

- Has the district's enrollment been increasing or stable for multiple years? Yes No N/A
- Is the district's enrollment projection updated at least semiannually? Yes No N/A
- Are staffing adjustments for certificated and classified employee groups consistent with the enrollment trends? Yes No N/A
- Does the district analyze enrollment and average daily attendance (ADA) data? Yes No N/A
- Does the district track historical data to establish future trends between P-1 and P-2 for projection purposes? Yes No N/A
- Has the district implemented any attendance programs to increase ADA? Yes No N/A
- Have approved charter schools had little or no impact on the district's student enrollment? Yes No N/A
- Does the district have a board policy that attempts to reduce the effect that transfers out of the district have on the district's enrollment? Yes No N/A

5. Interfund Borrowing Yes No N/A

- Can the district manage its cash flow in all funds without interfund borrowing? Yes No N/A
- Is the district repaying the funds within the statutory period in accordance with Education Code section 42603? Yes No N/A

6. Bargaining Agreements Yes No N/A

- Has the district settled the total cost of the bargaining agreements at or under COLA during the current and past three years? Yes No N/A
- Did the district conduct a pre-settlement analysis identifying an ongoing revenue source to support the agreement? Yes No N/A
- Did the district correctly identify the related costs above the COLA, (i.e. statutory benefits, step and column)? Yes No N/A
- Did the district address budget reductions necessary to sustain the total compensation increase including a board-adopted plan? Yes No N/A
- Did the superintendent and CBO certify the agreement prior to ratification? Yes No N/A
- Is the governing board's action consistent with the superintendent's/CBO's certification? Yes No N/A
- Did the district submit to the county office of education the AB 1200\2756 full disclosure as required? Yes No N/A

Is the district's fiscal health acceptable in the following areas? Yes No N/A

7. General Fund

- Is the percentage of the district's general fund unrestricted budget allocated to salaries and benefits at or under the statewide average?

Salary and Benefit Expense as a Percentage of Total Expense
Unrestricted General Fund Total General Fund

<i>Statewide Averages</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>
Unified	90.84%	91.77%	92.16%	82.14%	82.12%	83.00%
Elementary	89.56%	90.51%	90.77%	80.94%	80.96%	82.05%
High School	87.83%	89.19%	89.20%	79.61%	80.60%	81.81%

Source: School Services of California

- Is the district making sure that only ongoing restricted dollars pay for permanent staff?
- Does the budget include reductions in expenditures proportionate to one-time revenue sources, such as parcel taxes, that will terminate in the current or two subsequent fiscal years?
- If the district receives redevelopment revenue that is subject to AB 1290 and SB 617, has it made the required offset to the revenue limit?

8. Encroachment

- Is the district aware of the Contributions to Restricted Programs in the current year? (Identify cost, programs and funds)
- Does the district have a reasonable plan to address increased encroachment trends?
- Does the district manage encroachment from other funds such as Adult, Cafeteria, Child Development, etc.?

9. Management Information Systems

- Is the district's financial data accurate and timely?
- Are the county and state reports filed in a timely manner?
- Are key fiscal reports readily available and understandable?
- Is the district on the same financial system as the county?
- If the district is on a separate financial system, is there an automated interface with the financial system maintained by the county?

<i>Is the district's fiscal health acceptable in the following areas?</i>	Yes	No	N/A
10. Position Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Does the district maintain a reliable position control system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Is position control integrated with payroll?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Does the district control unauthorized hiring?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Are the appropriate levels of internal controls in place between the business and personnel departments to prevent fraudulent activity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Does the district use position control data for budget development?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Is position control reconciled against the budget during the fiscal year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Budget Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Are budget revisions completed in a timely manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Does the district openly discuss the impact of budget revisions at the board level?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Are budget revisions made or confirmed by the board at the same time the collective bargaining agreement is ratified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Has the district's long term debt decreased from the prior fiscal year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Has the district identified the repayment sources for long term debt or non voter-approved debt, i.e. certificates of participation, capital leases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Does the district's financial system have a hard coded warning regarding insufficient funds for requisitions and purchase orders?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Does the district encumber salaries and benefits?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Retiree Health Benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Has the district completed an actuarial valuation to determine the unfunded liability under GASB 45 requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Does the district have a plan for addressing the retiree benefits liabilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Has the district conducted a re-enrollment process to identify eligible retirees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Leadership/Stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Does the district have a superintendent and/or chief business official that has been with the district more than two years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Does the governing board adopt clear and timely policies and support the administration in their implementation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<i>Is the district's fiscal health acceptable in the following areas?</i>	Yes	No	N/A
14. Charter Schools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Has the district identified a specific employee or department to be responsible for oversight of the charter?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Has the charter school submitted the required financial reports?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Has the charter school commissioned an independent audit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Does the audit reflect findings that will not impact the fiscal certification of the authorizing agency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Is the district monitoring and reporting the current status to the board to ensure that an informed decision can be made regarding the reauthorization of the charter?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Audit Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Did the district receive an audit report without material findings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Can the audit findings be addressed without impacting the district's fiscal health?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Has the audit report been completed and presented within the statutory time line?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Are audit findings and recommendations reviewed with the board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Did the audit report meet both GAAP and GASB standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Has the district passed a general obligation bond?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Has the district met the audit and reporting requirements of Proposition 39?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Is the district participating in the state's School Facilities Program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Does the district have sufficient personnel to properly track and account for facility-related projects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Has the district met the reporting requirements of the Williams Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Is the district properly accounting for the 3% Routine Repair and Maintenance Account requirement at the time of budget adoption?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• If needed, does the district have surplus property that may be sold or used for lease revenues?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• If needed, are there other potential statutory options?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Joint Use: Can the district enter into a joint use agreement with some entities without declaring the property surplus and without bidding?			
- Joint Occupancy: The Education Code provides for a joint venture that can authorize private development of district property that will result in some educational use.			

Rev. 5/7/07

- Does the district have a facilities master plan that was completed or updated in the last two years?

17. General Ledger

- Has the district closed the general ledger (books) within the time prescribed by the county office of education??
- Does the district follow a year-end closing schedule?
- Have beginning balances in the new fiscal year been recorded correctly for each fund from the prior fiscal year?
- Does the district adjust prior year accruals if the amounts actually received (A/R) or paid (A/P) are greater or less than the amounts accrued?
- Does the district reconcile all payroll suspense accounts at the close of the fiscal year?

RISK ANALYSIS

1. Total the number of component areas in which the district's fiscal health is not acceptable ("No" responses).
2. Use the key below to determine the level of risk to the district's fiscal health.

0 – 4	5 – 9	10 – 14	15 – 17
Low	Moderate	High	Extremely High

Total "No" Responses

Appendix D

CONFERENCE ATTENDANCE REQUEST

Name: _____ School/Department: _____

Other Conference Attendees: _____

Conference/Workshop: _____ Reason: _____

Conference Dates: _____ Location: _____

DIRECTIONS: This completed form and all required documents must be received by the Business Office no later than 10 business days prior to registration deadline. Actual expenditures must be submitted within 2 weeks after the conference through the use of the Conference Reimbursement Form. Original receipts must be submitted for all expenses, except overnight per diem (meals).

****SITE IS TO MAKE ALL NECESSARY RESERVATIONS****

ESTIMATED EXPENSES: METHOD OF PAYMENT (Please check appropriate box for method of payment for each item):

	Employee to Pay & Request Reimbursement	P.O. Attached & P.O. Number	Payment Required Prior to Conference & Date Needed	
Conference Registration (Attach a copy of completed registration form)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Lodging: _____ Days (Attach hotel confirmation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Does the hotel waive the hotel tax for government agencies?			Yes _____ No _____	
Personal Vehicle (No. of miles _____ @ _____) (Note: To be reimbursed through Conference Reimbursement Form)				\$ _____
Other Expenses _____ (Note: To be reimbursed through Conference Reimbursement Form)				\$ _____

Meals (Per Diem/Reimbursement)
****Are meals included with registration? If so, please specify.** _____

Note: Same day travel requires original receipts for reimbursement

Substitute: _____ Days @ _____ Daily \$ _____

Depart: Date: ____/____/____ Time: ____ a.m. / p.m.	Return: Date: ____/____/____ Time: ____ a.m. / p.m.
---	---

Attendee's Signature _____ Date _____ Conference Account Number _____

Business Services Approval _____ Date _____ Administrator's Approval _____ Date _____

BUSINESS OFFICE USE ONLY

<u>Advance Payable To</u>	<u>Advance Amount</u>	<u>Revolving Check/Warrant #</u>	<u>Date Issued</u>
_____	_____	_____	_____

Date	Breakfast \$9.00	Lunch \$12.00	Dinner \$22.00	Daily Total

Meals \$ _____
Total Estimated Expenses \$ _____

Sausalito Marin City School District
Office of the Superintendent

Date: April 19, 2012
To: Board of Trustees
From: Valerie Pitts, Superintendent
Re: Action: Tennessee Glen, Tennessee Woods and Mill Valley Attendance Agreements

Tennessee Glen

Background

The District has had an attendance agreement with Mill Valley School District since April 2000. It permits residents of specific addresses, which are physically located within the Sausalito Marin City School District boundaries, the option to send their students to Mill Valley schools.

Those addresses are: 400-409 Tennessee Glen Way, Mill Valley

- 400, 401, 402, 403, 404, 405, 406, 407, 408, 409
- AP# 52-560-01 through 52-560-10

Analysis

Sausalito Marin City School District and Mill Valley School District Boards of Education consider annually in April whether to extend the agreement another year. This addendum, #12, would extend the agreement through June 2017.

Financial Impact

Student attendance is compiled within the boundaries specified and invoicing is agreed upon by both districts. The district of residence receives funds from the district of attendance. Fiscal impact varies from year to year.

Tennessee Woods

Background

The District has had an attendance agreement with Mill Valley School District since July 2001. It permits residents of specific addresses, which are physically located within the Sausalito Marin City School District boundaries, the option to send their students to Mill Valley schools.

Those addresses are: 300 – 345 Villa Garden Drive, Mill Valley

- 300 - AP# 05206224
- 315 - AP# 05206225
- 330 - AP# 05206223
- 345 - AP# 05206226

Analysis

Sausalito Marin City School District and Mill Valley School District Boards of Education consider annually in April whether to extend the agreement another year. This addendum, #10, would extend the agreement through June 2017.

Financial Impact

Student attendance is compiled within the boundaries specified and invoicing is agreed upon by both districts. The district of residence receives funds from the district of attendance. Fiscal impact varies from year to year.

Mill Valley Attendance Agreement

Background

The District has had an attendance agreement with Mill Valley School District since July 2008.

Analysis

Sausalito Marin City School District and Mill Valley School District Boards of Education consider annually in April whether to extend the agreement another year. This addendum, #3, would extend the agreement through June 2016.

Financial Impact

Student attendance is compiled within the boundaries specified and invoicing is agreed upon by both districts. The district of residence receives funds from the district of attendance. Fiscal impact varies from year to year.

Recommendation

The Superintendent recommends approval of each of the three agreements

Backup attached: Yes No

**TENNESSEE GLEN
Addendum #12
For 2012-2013 School Year**

Parties

The parties to this Agreement are the Mill Valley School District (Mill Valley) and the Sausalito Marin City School District (Sausalito Marin City), formerly Sausalito School District.

Purpose

The purpose of this Agreement is to extend the Attendance Agreement between the parties for an additional year.

Terms

Both parties agree to extend the previously executed Attendance Agreement for an additional year. Thus as extended, the Agreement continues through June 2017.

This Addendum #12 shall become effective when approved by the governing boards of both districts.

Mill Valley School District:

Paul Johnson, Superintendent

Date

Sausalito Marin City School District:

Valerie Pitts, Superintendent

Date

3/2/12

TENNESSEE WOODS
Addendum #10
for 2012-2013 School Year

Parties

The parties to the Tennessee Woods Agreement, effective July 1, 2001, are the Mill Valley School District (Mill Valley) and the Sausalito Marin City School District (Sausalito Marin City), formerly Sausalito School District.

Purpose

The purpose of this Addendum is to extend the Attendance Agreement between the parties for an additional year.

Terms

Both parties agree to extend the previously executed Attendance Agreement for an additional year. Thus, as extended, the Agreement continues through June 2017.

This Addendum #10 shall become effective when approved by the governing boards of both districts.

Mill Valley School District:

Paul Johnson, Superintendent

Date

Sausalito Marin City School District:

Valerie Pitts, Superintendent

Date

3/2/12

**MILL VALLEY & SAUSALITO MARIN CITY
ATTENDANCE AGREEMENT
Addendum #3
For 2012-2013**

Parties

The parties to this Agreement are the Mill Valley School District (Mill Valley) and the Sausalito Marin City School District (Sausalito Marin City).

Purpose

The purpose of this Agreement is to extend the Attendance Agreement between the parties for an additional year. This extends the Agreement until June 2016.

Terms

This Agreement was deemed effective as of July 1, 2008, to remain in place for an initial 5 year term, concluding on June 30, 2013. The intent of both school districts was to extend the term of the Agreement by one year on an annual basis, but both school districts recognized that school financing remains volatile and that current law limits the duration of interdistrict attendance agreements to five years.

This Addendum #3 shall become effective when approved by the governing boards of both districts extending the Agreement until June 2016.

(Please Note: Term #1 of the original agreement was amended in May 2010. This amendment to Term #1 will remain in effect).

Mill Valley School District:

Paul Johnson, Superintendent

Date

Sausalito Marin City School District:

Valerie Pitts, Superintendent

Date

3/2/12

Sausalito Marin City School District
Office of the Superintendent

Date: April 19, 2012
To: Board of Trustees
From: Valerie Pitts, Superintendent
Re: Discussion: Facilities Needs Analysis and Bond

Background

SMCSD passed a bond in 2004 for 15.9 million dollars. With that funding, 6 classrooms, multi-purpose and student services and district offices were constructed at MLK Academy. Classrooms were added to Bayside and the multipurpose room was renovated. In 2006, the district issued \$3,235,000 COPs to (1) refund the district's 1996 COPs (Sausalito Bayside School project), (2) finance the renovation, construction and modernization of other district facilities including providing additional classrooms for Willow Creek Academy and (3) pay costs of issuance.

Analysis

The district has limited deferred maintenance funding and continuing modernization and new construction needs. MLK Academy is not a completed school. The old school building needs to be demolished and the portables removed and permanent classrooms added. In addition the fields are in disrepair, require extraordinary maintenance in the condition they are in and limit the district's ability to lease the fields to community recreation and sports leagues. Bayside/WCA also has modernization needs including roofing and needed field repairs.

Greystone West Project Management Company has completed a Facilities Needs Analysis for the district that identifies approximately 12-15 million dollars of additional facilities modernization and new construction needs. The analysis is attached and can serve as the basis of a ten year Facilities Master Plan.

Financial Impact

Attached also find the projected AV and bonding capacity for the district.

Legal Implications

A Prop 39 general obligation bond can be placed on the ballot by a school district during a general election only. November, 2012 is a general election.

Recommendation

This item is brought before the board for discussion purposes only.

Backup attached: Yes No

Sausalito Marin City School District

Facilities Needs Analysis

DRAFT

March 2012

Completed by

Greystone West Construction Project Management

DRAFT

Martin Luther King Jr. Academy

Middle School

The Middle School was constructed in 2008 with an overall area of 28,500 SF. The building contains six classrooms, a learning center and two resource rooms spread between the two floors. There are also two pairs of student restrooms, one on each floor. One of the classrooms is structured for life science; it has casework with sinks as well as an eye wash / emergency shower and a prep room. One classroom is suitable for art with casework, four sinks and good north light. The other four classrooms range from 960-1275 SF and are suitable for general education. These rooms suffer from a lack of storage and could benefit from added casework. The Learning Center is average in size at 511 SF.

The Multipurpose Room has a gross area of 6019 SF including a lobby, one pair of toilet rooms, a small kitchen and a storage room. The kitchen is small with limited equipment. It is suitable for re-heat or catered events, but not adequate for a full prep and serve program. The main room is very lively and would benefit significantly from acoustical treatments.

The Administration area encompasses 4380 SF. It contains a Staff Lounge and Workroom with two toilet rooms, a Nurses Station with a toilet room, two reception areas with a single occupancy toilet, private offices and a conference room.

As expected the buildings are in near new condition, however, they do suffer from some design and construction issues. The Multipurpose room and School Corridor are covered by exposed metal decking and both areas have hard floors; as a result, both areas suffer from poor acoustics. We recommend the installation of a spray-on acoustic insulation at the metal deck. This will reduce reverberation and improve R-value in the spaces. The high walls at the Multipurpose room would also benefit from the installation of some acoustic panels.

The Corridor was constructed as non-conditioned space and with a south facing glass wall it becomes a sauna on sunny days. Additionally, the MOT Director reports that the heating and ventilation system at the MP Room has been problematic throughout his tenure. We recommend replacing the existing duct furnace with packaged heating and cooling units capable of conditioning both spaces. There are also circulation issues and exiting with the MP Lobby that need to be reviewed. The likely solution will involve relocation of exit doors.

Four of the six classrooms have no cabinetry. We assume that it was left out of the original construction due to cost. We recommend adding approximately 40 LF of casework to each classroom.

We also recommend adding a drinking fountain at the second floor. There are some space planning issues with the Learning Center / Resource Rooms and Staff Lounge / Workroom that may result in some minor relocation of walls. The work is non-structural and will be treated as an allowance for the purposes of this report. We have also added an allowance for miscellaneous repairs based on conversations with your MOT Director.

Annex / Elementary School

The Annex Building was constructed in 1960-1961 . The building contains five classrooms; two standard and two kindergarten rooms with toilets on either side of a central corridor. The building has an overall area of 6160 SF. The building is constructed of precast concrete panels which typically perform poorly in seismic activity. We anticipated that this building would

appear on the Division of State Architects AB-300 list but interestingly, it appears they overlooked it. The building is in relatively poor condition. The systems and finishes have all outlived their useful life and the building would require a complete modernization. In our opinion the cost of modernization coupled with the required seismic retrofit would easily exceed 70% of the replacement cost which, per State guidelines; indicates demolition and replacement.

The replacement building could serve as the elementary school in a K-8 configuration. The proposed building could be relocated adjacent to the Middle School in the area of the existing portables. For cost modeling purposes we assumed five standard classrooms and one kindergarten with internal toilet rooms, one administration space with a small conference room and a staff toilet, two student restrooms and a custodial closet. If the buildings were externally loaded with no central corridor, the building would need to be approximately 7,000 SF.

For cost modeling purposes we assumed you would continue the design theme initiated by the Middle School. The building structure would be concrete and steel with cement board and corrugated metal siding for durability and large amounts of glass to maintain the contemporary styling. Interior finishes would be on par with the middle school but more age appropriate. Lighting and technology would be state of the art. We assumed that area around the existing basketball / volleyball court would be developed into playground space and that a kindergarten playground would be developed on the south side of the building. Based on the site plans it appears there may be an opportunity for a one-way drop off lane between Philips Drive and Drake Avenue along the west property line.

Portable Complex / Preschool

The portable classroom complex consists of 5 buildings manufactured in 2001 by American Modular Systems. State guidelines indicate that portable classroom buildings have a typical life expectancy of fifteen years. 3 of the 5 buildings are in poor condition, showing evidence of roof failure or advanced wear and tear. Based upon their current condition and relative age, capital investment in these structures is not recommended. As such, the buildings can either be sold or demolished as indicated by market conditions. Portables of this age generally do not generate much interest and the District would be lucky to defray the cost of relocation.

We understand that the campus requires two preschool classrooms and a parent center. To maintain flexibility for future enrollment fluctuations, these buildings could be modular construction. For cost modeling purposes we assumed approximately 3,840 SF. Two oversized classrooms with internal toilet rooms, (preschools) and one standard classroom with a single occupancy toilet room, (parent center). We assumed these buildings would be sited directly south of new elementary school building with the potential to share playground space with the kindergarten.

We believe it is important to differentiate between portable and modular construction. The modular buildings we have modeled have a concrete slab floor, rigid steel frames and finishes identical to standard construction, however, they provide the flexibility to add or remove buildings to accommodate future changes in enrollment. We assume that styling would again follow the design theme established by the middle school.

Site Development

As indicated above, we recommend demolition of the existing Annex building and removal of the existing portable complex. This potentially creates an opportunity to construct a one way drop off lane between Phillips Drive and Drake Avenue along the west property line with opportunities to expand parking on either side. The area between the middle school and proposed new building would be developed as a mix hard court and playfield leading up to the edge of the existing ball field.

The baseball field at MLK is in poor condition to the point of being unusable. The area is adequate to house a regulation football / soccer / lacrosse field and a 400 meter running track, although the track cannot be a symmetrical oval. With the high salinity levels and heavy rodent population we would suggest an artificial turf field surrounded by an all-weather rubberized track. This should reduce operational cost and provide much needed recreational facilities for the community.

Bayside Elementary School

Bayside Elementary is comprised of two campuses, the upper campus or Willow Creek Academy built in 1989 and the lower campus comprised of three classroom buildings a gym / multi-purpose building and the new K-pod built in 2007.

Lower Campus

DRAFT

Lower campus buildings A,B & C do not show up in the DSA tracker however, based on the DSA application number and construction methodology we would assume were each constructed sometime in the late 1970's or early 1980's and then modernized in 1991.

Building A, AKA "the Garden Building" encompasses just over 2000 SF and contains two classrooms. The basic structure is sound and the 1991 modernization addressed ADA issues and upgraded technology and systems. Lighting was upgraded however some of the original recessed fixtures were left in place. Heating and ventilation is via 80% efficient condensing furnaces. The finishes are a bit tired and the accent and exterior lighting needs replacement. On the exterior, the gutters and downspouts have rusted through and need complete replacement. The metal roof is showing signs of oxidation and lichen growth. It is now 21 years old and on the bubble as to whether to refinish or replace. A metal roof should last for 30-40 years but the salt air and trees have taken their toll. A pressure wash, etch and re-paint would probably net another 10 years of use at about 1/3 the cost of replacement. However; if the funds are available it might be better to replace the roof with aluminum to reduce the impact of the salt air.

Building B, AKA "Office / Music" is just over 2200 SF and contains a Reception, Office, Nurses Office, three single occupancy toilet rooms and the original Staff Room that now houses music. The original construction and modernization dates are the same as Building A as is the scope of work.

Building C, AKA "the Tree House" is just under 4500 SF and contains four classrooms and two student toilet rooms. The scope of work is very similar to buildings A & B. The toilet rooms are showing a bit of wear and tear, especially the doors and frames and the toilet partitions.

The Multi-purpose room appears to have been originally built at the same time as buildings A-C but was modernized and expanded in 2005. The original building was 3,635 SF and included the MP Room, Kitchen, two small toilet rooms, the stage platform and a storage rooms. The 2005 addition added 755 SF plus another 220 SF of walk-in cooler. The expanded building replaced the two small toilet rooms with larger accessible bathrooms, extended the stage platform, converted the old toilet rooms to custodial closet and added the walk-in cooler. As expected the building is in good condition. The exterior siding, roofing and downspouts require the same work as the balance of the campus and there are some miscellaneous minor repairs but nothing significant at this time.

The original kindergarten classrooms were demolished in 2007 and replaced with the K-Pod. The K-pod include two kindergarten classrooms with a shared toilet room, two standard classrooms, three resource rooms, two staff restrooms and a pair of student toilets



encompassing just over 6,000 SF. The buildings are less than five years old and staff does not report any design or construction issues.

Upper Campus

The upper campus or Willow Creek Academy was built in 2000. It contains five standard classrooms plus specialty classrooms for art, science and computers, a library, a learning center, two student and two staff restrooms and a staff workroom / lounge totaling approximately 12,500 SF. There is also a 960 SF portable dating from 2004.

The buildings are now twelve years old and beginning to show some signs of wear. There are numerous locations where the siding exhibits water damage and dry rot. Metal elements such as railings and brace rods are beginning to rust and the gutters and downspouts are in need of replacement. A thorough exterior paint job with extensive preparation is due in short order.

The toilet rooms are constructed on a wood substrate and the floors are beginning to fail. We recommend stripping them down to the joist and rebuilding with a substantial mortar bed under ceramic tile or epoxy surfacing. The remaining systems and finishes appear to be in good condition and should not require any significant work for the next 10-15 years.

Willow Creek Academy has expressed a desire for a covered eating structure at the courtyard to provide protection from the weather and the seagulls.

Portable Campus

Sometime around 2006 the District installed five portables between the ball field and Buchanan Drive. The buildings themselves have a manufacture date of 2004 and appear in relatively good condition aside from some failing HVAC units. In 2010 the site was upgraded with new paving and a new deck that should also last another 10-15 years. We did note some drainage issues behind the buildings that should be addressed to avoid water damage to the foundation and skirt boards.

Site

The Bayside Campus et al is approximately 19 acres a substantial amount of which is undeveloped hillside. This area has been left natural, however, it does need some work to avoid becoming a burden on the grounds keepers. We recommend the District obtain an arborist report to assess the health of the many trees and begin an annual maintenance plan. Open areas can be mulched or planted with native vegetation to keep weeds down.

DRAFT

There are numerous locations where drainage could be improved especially along the main entry. Using the existing topography the bulk of the system could be surface drainage as opposed to underground pipes. This would help restore and maintain the natural state of the undeveloped area.

The railroad tie staircase and lower playground are not to code and need to be replaced. The handrails at some of the other staircases are in need of repair or replace to avoid becoming a safety issue. The softball field is in fair condition but has a non-compliant press box and the fences and backstop are at the end of their useful life. The original contours of the field have been lost due to dragging and top dressing, pushing it towards replacement as opposed to repair, provided funds are available.

33 Buchanan

The building at 33 Buchanan was built in the 1940's and served as offices for the ship yard during the war. The building has charm and character and was certainly well built but at 70+ years of age it is in need of a full restoration. The building is approximately 4000 SF and currently houses the offices for Willow Creek Academy. Given the hillside construction and the historic nature of the building, our recommendation would be demolition and replacement. The WCA offices could likely be housed in a smaller more efficient space located closer to the campus. Modular construction would provide flexibility for future expansion or contraction as the case may be.

Old District Office

Like 33 Buchanan, the "Old District Office" was built in the 1940's. It encompasses approximately 3,000 SF and currently receives limited use by the District. As expected, this building is in similar condition to 33 Buchanan however it shows more signs of differential settlement. The building could certainly be restored but the cost would likely exceed that of new construction. With no current use, the site might be better suited for parking, especially if the District were to construct a new gym at the 33 Buchanan location.

Other Projects

We understand that the District and the Community have interest in construction of a gym / multi-purpose room at the Bayside Campus. Based on a preliminary review, we believe that a gym sized adequately to accommodate a regulation basketball court with a small lobby and restrooms can be constructed behind 33 Buchanan with parking along Buchanan and, if desired; extending over to the Old District Office site.

With the budgetary challenges facing school districts any opportunity to use Capital Facilities monies to create General Fund relief has to be considered. With that in mind we believe that the MLK Campus is an excellent candidate for solar photo-voltaic panels. At Bayside, the terrain will make it more of a challenge but we believe the northeast corner of the campus may be suitable for at least a small system either in the parking lot or on the roof of the gymnasium, should the District pursue this option.

Conclusions

The District has made a considerable effort to upgrade their facilities over the past 20 years, and with a few notable exceptions the buildings are in pretty good shape. The MLK Annex and old District Office are, however, at a point that deterioration will escalate and efforts should be made to safeguard this investment.

The balance of the projects may not appear urgent until you consider impact on the General Fund. With school funding at crisis level, any capital project that can reduce deferred maintenance or offset operating costs allows more of those precious dollars to make it to the classroom.

The artificial turf field would reduce workload for the groundskeeper; eliminate watering costs, fertilizer and pest control.

Replacement of outdated lighting and HVAC Equipment combined with installation of solar photo voltaic panels could reduce natural gas bills and virtually offset the cost of electricity.

Minor modernization including replacement of finishes will reset the clock on deferred maintenance providing a window of relief allowing those funds accrue for future need and making them available in an emergency. Careful selection of finishes can make custodial crews more efficient, leaving more time for non-routine activities.

A general obligation bond of \$10-15M could fund some or all of these projects with an almost immediate impact on the General Fund, and a lasting impacting on the District and the community.

DRAFT

Martin Luther King Jr. Academy					
#	Description	Quantity	Unit	Units \$	Value
1	Spray-on Acoustic Treatment	11,303	sf	\$ 8.00	\$ 90,424.00
2	Acoustical Wall Panels at Gym	1728	sf	\$ 15.00	\$ 25,920.00
3	Add Casework @ Classrooms	170	lf	\$ 300.00	\$ 51,000.00
4	Add drinking fountain @ second floor	1	ea	\$ 5,500.00	\$ 5,500.00
5	Minor wall relocations	1	ls	\$ 23,000.00	\$ 23,000.00
6	HVAC system at Corridor / Gym	35	tons	\$ 5,000.00	\$ 175,000.00
7	Relocate storefront doors at Gym Lobby	1	LS	\$ 6,500.00	\$ 6,500.00
8	Construct drop-off / expand parking	47520	sf	\$9.45	\$ 449,064.00
9	Abate / Demolish Annex	6160	sf	\$ 12.00	\$ 73,920.00
10	Remove Portables	5	ea	\$ 6,500.00	\$ 32,500.00
11	Construct New K-5 Building	7000	sf	\$ 387.00	\$ 2,709,000.00
12	Modular Preschool / Parent Center	3840	sf	\$ 325.00	\$ 1,248,000.00
13	Baseball Field	170000	sf	\$ 8.00	\$ 1,360,000.00
14	All-weather Track	1	ls	\$ 450,000.00	\$ 450,000.00
15	Miscellaneous Minor Repairs	1	allowance	\$ 50,000.00	\$ 50,000.00
Total Martin Luther King Jr. Academy Site					\$ 6,749,828.00

DRAFT

Bayside Elementary School Lower Campus					
#	Description	Quantity	Unit	Units \$	Value
1	Siding Repair / Replacement 20%	2,878	sf	\$ 7.50	\$ 21,585.00
2	Exterior Paint	18709	sf	\$ 2.25	\$ 42,095.25
3	Gutter Replacement (aluminum)	1147	lf	\$ 24.00	\$ 27,528.00
4	Downspout Replacement (sch. 40 pipe)	29	ea	\$ 800.00	\$ 23,200.00
5	Replace Roof	11,136	sf	\$ 17.00	\$ 189,312.00
7	Lighting Upgrades	1	ls	\$ 60,000.00	\$ 60,000.00
6	Toilet Room Doors	2	ea	\$1,000.00	\$ 2,000.00
7	Toilet Partitions	1	ls	\$ 8,000.00	\$ 8,000.00
8	Miscellaneous Minor Repairs	1	allowance	\$ 50,000.00	\$ 50,000.00
Total Bayside ES Lower Campus					\$ 423,720.25
Willow Creek Academy					
#	Description	Quantity	Unit	Units \$	Value
1	Siding Repair / Replacement 20%	5,200	sf	\$ 12.00	\$ 62,400.00
2	Exterior Paint	23400	sf	\$ 3.50	\$ 81,900.00
3	Gutter Replacement (aluminum)	1300	lf	\$ 24.00	\$ 31,200.00
4	Downspout Replacement (sch. 40 pipe)	16	ea	\$ 800.00	\$ 12,800.00
5	Toilet Rooms Floors	780	sf	\$ 48.00	\$ 37,440.00
6	Toilet Room Doors	3	ea	\$1,000.00	\$ 3,000.00
7	Fabric Shade Structure	1	ls	\$ 65,000.00	\$ 65,000.00
8	Miscellaneous Minor Repairs	1	allowance	\$ 50,000.00	\$ 50,000.00
Total Willow Creek Academy					\$ 343,740.00
WCA Lower Campus (Portables)					
#	Description	Quantity	Unit	Units \$	Value
1	Replace Bard HVAC Units	5	ea	\$ 4,000.00	\$ 20,000.00
2	Drainage Improvements	1	ls	\$ 5,000.00	\$ 5,000.00
3	Miscellaneous Minor Repairs (Skirt Boards)	1	ls	\$ 5,000.00	\$ 5,000.00
Total WCA Lower Campus (Portables)					\$ 30,000.00
Sitework					
#	Description	Quantity	Unit	Units \$	Value
1	Arborist Report/Recommendations	1	ls	\$ 25,000.00	\$ 25,000.00
2	Re-work Out of Bounds Areas	440869	sf	\$ 0.65	\$ 286,564.85
3	Drainage Improvements	1	ls	\$ 100,000.00	\$ 100,000.00
4	Replace Railroad Tie Staircase	22	ea	\$ 350.00	\$ 7,700.00
5	Replace Lower Playground	1	allowance	\$ 50,000.00	\$ 50,000.00
6	Miscellaneous Railing Upgrades	1	allowance	\$35,000.00	\$ 35,000.00
7	Modernize Softball Field/Press Boxes	34413	sf	\$ 12.00	\$ 412,956.00
8	Miscellaneous Minor Repairs	1	allowance	\$ 50,000.00	\$ 50,000.00
Total Sitework					\$ 967,220.85

DRAFT

33 Buchanan/Old DO/ Gym					
#	Description	Quantity	Unit	Units \$	Value
1	Abatement/Demolition 33 Buchanan	4,000	sf	\$ 12.00	\$ 48,000.00
2	Abatement/Demolition Old D.O.	3000	ls	\$ 12.00	\$ 36,000.00
3	Sitework / Parking	33743	sf	\$ 8.00	\$ 269,944.00
4	New Gym / Multi-use Room	9096	sf	\$ 375.00	\$ 3,411,000.00
5	New WCA Offices	1440	sf	\$ 325.00	\$ 468,000.00
Total 33 Buchanan/Old DO/ Gym					\$ 4,232,944.00
Solar					
#	Description	Quantity	Unit	Units \$	Value
1	MLK Academy	250	kW	\$ 5,000.00	\$ 1,250,000.00
2	Lower Bayside	150	kW	\$ 5,000.00	\$ 750,000.00
3	WCA Academy	125	sf	\$ 5,000.00	\$ 625,000.00
Total Solar					\$ 2,625,000.00
Total Bayside Elementary School Site					\$ 8,622,625.10
Total Direct Costs					\$ 15,372,453.10
Administrative and Indirect Costs					\$ 461,173.59
Escalation @ 6% (Assumes 3 Year Program Beginning 2014)					\$ 1,797,108.00
Program Reserve					\$ 881,536.73
Total					\$ 18,512,271.43

SAUSALITO MARIN CITY SCHOOL DISTRICT BONDING CAPACITY
15-Feb-12

2011-12 District Assessed Value*	3,015,721,235
AV Times 1.25%	37,696,515
Existing Bond Debt	<u>8,279,924</u>
Net Bonding Capacity	29,416,591

*Source: County of Marin Finance Dept.

Prepared by Wulff, Hansen & Co.

SAUSALITO MARIN CITY SCHOOL DISTRICT
Estimated Tax per \$100,000 of Assessed Value

All figures are estimates

7-Mar-12

Prepared by Wulff Hansen & Co.

<u>Bond Issue Size</u>	<u>Tax/\$100,000 AV</u>
23,450,000	30.00
18,000,000	23.03
15,000,000	19.19
12,000,000	15.35
10,000,000	12.79
8,000,000	10.23
6,000,000	7.68
5,000,000	6.40

**SAUSALITO MARIN CITY SCHOOL DISTRICT
BOARD MEETING MINUTES
March 8, 2012**

ATTENDANCE

Board Members: Thomas Newmeyer, William Ziegler, Shirley Thornton, Ed. D., Karen Benjamin, and Mark Trotter via teleconference
Superintendent: Valerie Pitts, Ed. D.

President Thomas Newmeyer called the meeting to order at 5:30 p.m.

M/s/c Thornton/Benjamin/all to approve the agenda order

PERSONS WISHING TO ADDRESS THE BOARD PRIOR TO CLOSED SESSION

There was no public comment.

CLOSED SESSION

The Board and Superintendent convened closed session at 5:31 p.m.

REGULAR SESSION

Open session reconvened at 6:30 p.m.

Report Out from Closed Session

President Newmeyer reported that the board had unanimously approved two resolutions: Resolution #567 Non-Reelection of a Probationary Certificated Employee, and Resolution # 568 Release of a Certificated Administrative Employee.

Pledge of Allegiance

Trustee Thornton led the Pledge of Allegiance.

PERSONS WISHING TO ADDRESS THE BOARD PRIOR TO OPEN SESSION

There was no public comment.

REPORTS

Trustee Reports

Trustee Thornton thanked the District for allowing her to attend a conference focused on bridging the achievement gap for African American students.

Superintendent's Report

Superintendent Pitts reported that:

- The Milagro Foundation will fund The Mosaic Project in the amount of \$10,000 as a commitment to bring 4th and 5th grade students from Bayside and MLK to a one-week camp in late spring.
- Principal Newton coordinated a very successful Black History Month event.
- The district's administrative team and community after school and summer school program providers held a Summer School Programs Open House on March 7. The same group will be

invited back in May for the MLK Jr. Academy Open House, when parents from both MLK and Bayside will have another opportunity to learn about summer programs in Marin City.

Principal's Report

Principal Jonnette Newton reported that:

- Writing tests have been completed by 100% of MLK, Jr. Academy and 14 of 15 Bayside students.
- CST prep review is in process at both sites.
- The Black History Month evening event was a success.
- Students of the Month and Honor Roll Students were celebrated with a continental breakfast. Parents were invited. This will be an ongoing recognition of students who are achieving.
- Read Across America was celebrated with a day of reading and being read to by parents and members of the San Francisco Men's Basketball Team.
- The boys' basketball team won the small schools championship on March 7.

Grade Level Report- Third Grade

The planned grade level report was replaced by a report from third grade teacher, Jim Scullion, who discussed a variety of topics such as monitoring student progress, school wide and classroom incentives, differentiated instruction and technology. He thanked the board on behalf of himself and students for classroom computers which are always in demand.

Mr. Scullion provided 2011/2012 class highlights:

- October: Visit to College of Marin
- November: Visits to Phoenix Lake to take part in a restoration project and to Slide Ranch
- October – May: Study of buildings in Sausalito with the Sausalito Historical Society
- February: Participation in the Black History Program
- March: Participation in Read Across America
- June: Production of a student play to celebrate the end of STAR testing and school.

Mr. Scullion shared:

- Copies of third grade California standards with board members
- That all students are showing improvement throughout the year
- That all students are showing growth through Accelerated Reading and Dibbles
- Trimester words read = First T: 704,000 words; Second T: 870,000 words; Cumulative: 1,574,000!

Students, Alma Lucas and Alyssa Cortez-Perez, wearing medals earned for outstanding accomplishment in reading and math, were introduced and recognized. A third student with similar achievements, Antoine Gardener, was unable to be present.

Head of School's Report

In lieu of a report from Head of School Carol Cooper, Clark Warden and Orlando Lobo reported that the WCA kindergarten lottery had been held; eleven students are wait-listed. Mr. Lobo expects to admit most or all by this fall.

STUDENT ACHIEVEMENT

Special Education Program Report

Superintendent Pitts provided an annual special education update:

- The district currently serves forty nine students in three schools - Bayside, MLK and WCA.

- Four students are served in special education student programs operated by the Marin County Office of Education (MCOE).
- Five students are served in other district special education programs or in non-public schools.
- Ten preschool-aged students who require services through an Individualized Education Program (IEP) are served in programs operated by the MCOE.

Many students in district or MCOE programs require services associated with contract service providers. This district currently exceeds the 'fewer than 10%' goal that most districts strive for.

Superintendent Pitts explained how students are assessed and reviewed. She added that the district has done an excellent job this year staying on top of the process.

Trustees Thornton and Benjamin requested reports on SSTs and a comparison to other Marin districts.

FINANCE

District Second Interim Report

Superintendent Pitts and Business Manager Paula Rigney explained that an interim report reflects a window in time. Ms. Rigney reviewed Second Interim 2011/2012 Multi Year Projections (MYP) showing a positive certification two years out. A Power Point presentation, SMCS D 2011/2012 2nd Interim Budget and Budget Scenarios (1) was reviewed, with information on:

- Drivers for SMCS D Budget Planning Process
- Marin Community Foundation Funding
- Components of Comprehensive Educational Program
- SMCS D Budget Planning: Balanced Budget Submitted - Assumptions 2nd Interim
- SMCS D Budget Planning: 2012/2013 MYP – Assumptions Version 1
- 2012/2013 MYP – Assumptions Version 1 - Financials
- 2012/2013 MYP – Assumptions Version 2 – Financials
- SMCS D Budget Planning (Financial)
- SMCS D Budget Planning (What do we do?)

Discussion

SMCS D Summer School serves Bayside and MLK students at risk. Several other programs serve students outside of these two schools.

Some students have transportation problems to summer school programs - to be discussed in an after school and summer school providers meeting.

'Right sizing' means tightening our belts.

Budget decisions are required by the end of June.

The Finance Committee will meet and return with recommendations.

The Superintendent will return with proposed strategies.

More knowledge of program costs is needed.

How do we prioritize our responsibility to district and charter school?

The cost per student exceeds other districts; the public needs to understand how funds are used.

Build a contingency during the budget process for the possibility of additional needs not yet apparent.

Two board meetings may be held during the months of April or May.

The Governor's May 1 budget revise w/be received approximately May 10.

April 3 is the date of the budget study with the community.

Finding places to cut is difficult as exemplified last year.

The district must have a quality education program.
A 1% cut = \$60,000/year.

M/s/c Ziegler/Thornton/all to approve the District's Second Interim Report

Willow Creek Academy Second Interim Report

Willow Creek Academy Treasurer Clark Warden presented the Second Interim Report:

- It assumes supplemental funds from the district remain same for the next two years.
- Growth necessitates additional staff.
- The current special education budget of \$10,000 will increase significantly; discussions pending.
- There will be difficult decisions to be faced if there is no longer Basic Aid.
- WCA anticipates a net surplus of \$40,000 - \$50,000 for each of the next two years.

M/s/c Ziegler/Newmeyer/all to accept Willow Creek Academy's Second Interim Report

FACILITIES

Facilities Master Plan and Facilities Bond Needs Analysis

Superintendent Pitts reported that the needs analysis is anticipated by April.

Superintendent Pitts reviewed documents prepared for SMCS D by Mark Pressman, Principal at Wulff, Hansen & Co.:

- Historical Assessed Values
- District Bonding Capacity
- Estimated Tax per \$100,000 of Assessed Value

Mr. Pressman will be invited to an April board meeting.

GOVERNANCE

Annual Review – Board Policy 6145 Extracurricular & Co-Curricular Activities

Principal Jonnette Newton presented the annual review of Board Policy 6145 Extracurricular & Co-Curricular Activities and highlighted changes to be made.

Discussion

Trustee Benjamin requested a modification to indicate that a grade of D is not acceptable for eligibility. Trustee Thornton supports the language as is if a student with a grade of D is on a program to improve. Superintendent Pitts will rewrite this section for the second reading.

Board members requested to know how many students are currently prevented from playing sports; Superintendent Pitts will provide the data.

The policy will be agendized at the April 26, 2012 board meeting for board second reading and action.

WCA Prop 39 Request Final District Response

Superintendent Pitts discussed a request from WCA Board President, Orlando Lobo, to defer the April 1 requirement for the final district response for determining facilities for 2012/2013.

December 6* First Thursday due to Holidays
December 13 Second Thursday due to Holidays

Future Charter School Board Meeting Dates

Meetings are open to the public and generally held on the school campus, 33 Buchanan Street, Sausalito. With the exception of the December meeting, meetings are held on the 3rd Wednesday of the month at 6:30 p.m.

March 21

April 18

May 16

June 20

Upcoming Dates and Important Events

Please visit the District website www.sausalitomarincityschools.org

Sausalito Marin City School District

Payment of Warrants

4/19, 2012

Attached warrants include:

Batch 37 Fund 01 in the amount of \$380,372.51

Batch 37 Fund 13 in the amount of \$8,306.54

Batch 37 Fund 14 in the amount of \$1,335.84

Batch 38 Fund 01 in the amount of \$9,145.72

Batch 38 Fund 40 in the amount of \$415,000.00

Batch 39 Fund 01 in the amount of \$46,788.08

Batch 39 Fund 14 in the amount of \$6,341.00

Batch 39 Fund 35 in the amount of \$379.35

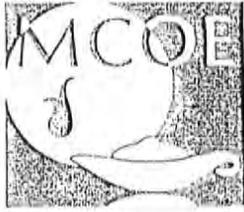
Batch 40 Fund 01 in the amount of \$62,727.44

Batch 40 Fund 40 in the amount of \$30,687.50

Batch 41 Fund 01 in the amount of \$39,754.89

Prepared by Vida Moattar

Sausalito Marin City School District Business Office



MARIN COUNTY OFFICE OF EDUCATION

1111 LAS GALLINAS AVENUE/P.O. BOX 4925
SAN RAFAEL, CA 94913-4925
marincoe@marin.k12.ca.us

MARY JANE BURKE
MARIN COUNTY
SUPERINTENDENT OF SCHOOLS

(415) 472-4110
FAX (415) 491-6625

VENDOR PAYMENT CERTIFICATION

Date 3/7/12

District Name Sausalito Marin City District No. 47

The Governing Board of the District named hereon hereby authorizes and directs payment of vendor payments in the total of \$ 390,014.89.

<u>FUND NUMBER</u>	<u>BATCH NUMBER</u>	<u>AMOUNT</u>
<u>01</u>	<u>37</u>	<u>380,372.51</u>
<u>13</u>	<u>37</u>	<u>8,306.54</u>
<u>14</u>	<u>37</u>	<u>1,335.84</u>

Authorized Signature *Paula Rigney*

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0037 GENERAL FUND
 FUND : 01 GENERAL FUND

I	.NT	VENDOR/ADDR REQ#	NAME (REMIT) REFERENCE LN	DEPOSIT TYPE							ABA NUM	ACCOUNT NUM DESCRIPTION	AMOUNT		
				FD	RESC	Y	OBJT	SO	GOAL	FUNC				LOC	ACT
02963301		002765/	ALADDINS AUTOMOTIVE												
			PO-120223	1.	01-7230-0-5600.00-0000-3600-700-000-000							45 Day Inspection		1,705.91	
					WARRANT TOTAL									\$1,705.91	
02963302		000609/	AMERICAN EXPRESS												
			PV-120318		01-0000-0-4300.00-0000-7200-725-000-000							Due 3/11/12		112.74	
					01-0000-0-4300.00-1110-1010-000-000-135							Lost & Found Bins		300.00	
					01-0000-0-5210.00-0000-7110-725-000-000							CAAASA - Thornton		75.00	
					01-8150-0-4300.00-0000-8100-735-000-000							Thermostat Guard		197.38	
					01-9479-0-4300.00-1110-1010-101-000-000							Due 3/11/12		66.56	
					WARRANT TOTAL									\$751.68	
02963303		070358/	AT&T												
			PO-120003	1.	01-0000-0-5970.00-0000-7200-700-000-000							3/12		31.61	
					WARRANT TOTAL									\$31.61	
02963304		070329/	AT&T CALNET 2												
			PO-120001	1.	01-0000-0-5970.00-0000-2700-700-000-000							289 1304		14.58	
				1.	01-0000-0-5970.00-0000-2700-700-000-000							331 3073		14.26	
				1.	01-0000-0-5970.00-0000-2700-700-000-000							331 5765		13.33	
				1.	01-0000-0-5970.00-0000-2700-700-000-000							331 1622		174.53	
				1.	01-0000-0-5970.00-0000-2700-700-000-000							331 5828		13.33	
				1.	01-0000-0-5970.00-0000-2700-700-000-000							331 6941		15.93	
				1.	01-0000-0-5970.00-0000-2700-700-000-000							332 3190		75.00	
				1.	01-0000-0-5970.00-0000-2700-700-000-000							332 3867		466.99	
					WARRANT TOTAL									\$787.95	
02963305		070513/	BOYS AND GIRLS CLUB												
			PO-120081	1.	01-6010-0-5840.00-1110-1010-700-000-000							SMCSD 3-2012		11,000.00	
			PO-120173	1.	01-9479-0-5840.00-1110-1010-101-000-000							TRAN 1-2012		322.95	

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0037 GENERAL FUND
 FUND : 01 GENERAL FUND

INT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
REQ#	REFERENCE	LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	DESCRIPTION		
		1.	01-9479-0-5840.00-1110-1010-101-000-000	TRAN 2-2012		344.48
			WARRANT TOTAL			\$11,667.43
02963306	070672/	ARACELI CASTANEDA				
	PO-120259	1.	01-6500-0-5840.00-5770-7120-700-000-000	2/12		195.00
		1.	01-6500-0-5840.00-5770-7120-700-000-000	2/12 Mileage		56.39
			WARRANT TOTAL			\$251.39
02963307	002183/	TRELLIS CONDRA				
	PV-120320		01-9472-0-4300.00-1110-1010-100-000-000	Reimb. Coffee for Bayside		12.95
			WARRANT TOTAL			\$12.95
02963308	002749/	CROWN TROPHY				
	PO-120218	1.	01-0000-0-4300.00-0000-7200-725-000-000	15471		218.11
			WARRANT TOTAL			\$218.11
02963309	070671/	ECYCLE				
	PV-120316		01-8150-0-5600.00-0000-8110-735-000-000	24251		179.40
			WARRANT TOTAL			\$179.40
0710	070667/	JULIANNE EDMONDSON				
	PV-120321		01-6500-0-4300.00-5770-1110-700-000-000	Mileage 2/12		6.16
			WARRANT TOTAL			\$6.16
02963311	000700/	ELECTRIX				
	PO-120248	1.	01-8150-0-5600.00-0000-8110-735-000-000	16956		935.00
			WARRANT TOTAL			\$935.00
02963312	002345/	EMPIRE ELEVATOR CO INC				
	PO-120013	1.	01-8150-0-5600.00-0000-8110-735-000-000	69209		114.40
	PO-120165	1.	01-8150-0-5600.00-0000-8110-735-000-000	69208		343.20
			WARRANT TOTAL			\$457.60
02963313	002270/	FISHMAN SUPPLY CO.				
	PO-120230	1.	01-0000-0-4300.00-0000-8211-735-000-000	866864		1,100.88
			WARRANT TOTAL			\$1,100.88

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0037 GENERAL FUND
 FUND : 01 GENERAL FUND

NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE										ABA NUM	ACCOUNT NUM	AMOUNT
	REQ#	REFERENCE LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION		
02963314	070132/	HSBC BUSINESS SOLUTIONS													
		PV-120324	01	0000	0	4300	00	0000	7200	725	000	000	00 Supplies	66.20	
													WARRANT TOTAL	\$66.20	
02963315	000045/	MARIN COUNTY OFFICE OF EDUC													
		PO-120184	1	01	0000	0	5840	00	0000	7705	700	000	120813	3,990.00	
		PO-120217	1	01	6500	0	5849	00	5001	2110	700	000	120812	4,333.76	
		PO-120231	1	01	0000	0	5840	00	0000	3120	700	000	120778	2,703.72	
			1	01	0000	0	5840	00	0000	3120	700	000	120782	12,094.34	
		PO-120262	1	01	0000	0	5849	00	0000	7150	725	000	120814	27,985.13	
			1	01	0000	0	5849	00	0000	7150	725	000	120815	27,985.13	
													WARRANT TOTAL	\$79,092.08	
02963316	070447/	MAXIM HEALTHCARE SERVICES													
		PO-120121	1	01	6500	0	5835	00	5770	1182	700	000	540320084	2,067.00	
													WARRANT TOTAL	\$2,067.00	
02963317	001927/	MILL VALLEY SERVICES													
		PO-120253	1	01	0000	0	4365	00	0000	7200	725	000	75931	431.89	
													WARRANT TOTAL	\$431.89	
02963318	000058/	P G & E CO													
		PO-120000	1	01	0000	0	5510	00	0000	8200	000	000	Due 3/12/12	2,502.03	
		PV-120317		01	7230	0	4301	00	0000	3600	700	000	3085089005	356.77	
													WARRANT TOTAL	\$2,858.80	
02963319	070381/	PEDIATRIC CONTRACTING SERVICES													
		PV-120319		01	6500	0	5835	00	5770	1182	700	000	22845	176.00	
													WARRANT TOTAL	\$176.00	
02963320	070222/	PROTECTION ONE													
		PO-120004	3	01	0000	0	5840	00	0000	8300	725	000	3/12	575.19	
													WARRANT TOTAL	\$575.19	

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0037 GENERAL FUND
 FUND : 01 GENERAL FUND

LN	NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT									
		REQ#	REFERENCE	LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION	
02963321		000062/	REVOLVING CASH FUND													
			RC-120000												March 2012	102.09
															March 2012	74.18
															March 2012	42.50
															March 2012	19.97
															March 2012	61.73
															March 2012	83.55
															WARRANT TOTAL	\$384.02
02963322		070656/	PAULA RIGNEY													
			PV-120323												Reimb. Field Trip Lunches	96.71
															WARRANT TOTAL	\$96.71
02963323		070406/	SILYCO													
			PO-120024	1.											FEB2012	3,600.00
															WARRANT TOTAL	\$3,600.00
02963324		002545/	SONITROL													
			PO-120022	1.											1207470	1,563.15
															WARRANT TOTAL	\$1,563.15
02963325		070367/	TIME CLOCK INC.													
			PO-120032	1.											2/12	151.93
															WARRANT TOTAL	\$151.93
02963326		070525/	US BANCORP EQUIP. FINANCE INC													
			PO-120088	1.											198166225	744.47
															WARRANT TOTAL	\$744.47
02963327		002172/	WILLOW CREEK ACADEMY													
			PV-120322												March 12 payments	82,219.00
															March 12 payments	184,940.00
															WARRANT TOTAL	\$267,159.00

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0037 GENERAL FUND
 FUND : 01 GENERAL FUND

INVT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE										ABA NUM	ACCOUNT NUM	AMOUNT
	REQ#	REFERENCE	LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION	
02963328	001244/	YOUTH IN ARTS													
		PO-120196	1.	01	9476	0	5840	00	1451	1010	700	000	000	3/12	3,300.00
														WARRANT TOTAL	\$3,300.00
*** FUND	TOTALS ***						TOTAL NUMBER OF WARRANTS:	28						TOTAL AMOUNT OF WARRANTS:	\$380,372.51*

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0037 GENERAL FUND
 FUND : 13 CAFETERIA FUND

LN	INT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT									
		REQ#	REFERENCE	LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION	
02963329		070649/	REVOLUTION FOODS													
			PO-120172	2.	13-5310-0-5840.00-0000-3700-100-000-000										32516	5,173.00
				1.	13-5310-0-5849.00-0000-3700-700-000-000										32516	477.00
			PO-120249	2.	13-5310-0-5840.00-0000-3700-101-000-000										32516	2,656.54
			WARRANT TOTAL													\$8,306.54
*** FUND		TOTALS ***		TOTAL NUMBER OF WARRANTS:				1	TOTAL AMOUNT OF WARRANTS:				\$8,306.54*			

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0037 GENERAL FUND
 FUND : 14 DEFERRED MAINTENANCE FUND

INT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
REQ#	REFERENCE	LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	DESCRIPTION		
02963330	000609/	AMERICAN EXPRESS				
		PV-120318	14-0000-0-6200.00-0000-8500-735-000-000		HVAC-MLK	1,335.84
			WARRANT TOTAL			\$1,335.84
*** FUND	TOTALS ***		TOTAL NUMBER OF WARRANTS:	1	TOTAL AMOUNT OF WARRANTS:	\$1,335.84*
*** BATCH	TOTALS ***		TOTAL NUMBER OF WARRANTS:	30	TOTAL AMOUNT OF WARRANTS:	\$390,014.89*
*** DISTRICT	TOTALS ***		TOTAL NUMBER OF WARRANTS:	30	TOTAL AMOUNT OF WARRANTS:	\$390,014.89*

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DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0038 GENERAL FUND
 FUND : 01 GENERAL FUND

I	.NT	VENDOR/ADDR REQ#	NAME (REMIT) REFERENCE LN	DEPOSIT TYPE										ABA NUM	ACCOUNT NUM DESCRIPTION	AMOUNT	
				FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP				
02964201	070198/		ARROWHEAD														
			PO-120079	2.	01-0000-0-4300.00-0000-2700-100-000-000									3/12			32.51
				3.	01-0000-0-4300.00-0000-2700-101-000-000									3/12			19.00
				1.	01-0000-0-4300.00-0000-7200-725-000-000									3/12			19.17
					WARRANT TOTAL												\$70.68
02964202	001613/		ASSOC. OF CALIFORNIA SCHOOL														
			PO-120252	1.	01-0000-0-5803.00-0000-7200-700-000-000									16581			195.00
					WARRANT TOTAL												\$195.00
02964203	070358/		AT&T														
			PO-120003	1.	01-0000-0-5970.00-0000-7200-700-000-000									3/12			32.52
				1.	01-0000-0-5970.00-0000-7200-700-000-000									3/12			57.38
				1.	01-0000-0-5970.00-0000-7200-700-000-000									3/12			32.52
					WARRANT TOTAL												\$122.42
02964204	070329/		AT&T CALNET 2														
			PO-120001	1.	01-0000-0-5970.00-0000-2700-700-000-000									332 6745			29.28
					WARRANT TOTAL												\$29.28
02964205	002547/		DISCOVERY OFFICE SYSTEMS														
			PO-120089	1.	01-0000-0-5605.00-0000-7200-725-000-000									2/12			182.25
				2.	01-0000-0-5605.00-1110-1010-100-000-000									2/12			80.55
				3.	01-0000-0-5605.00-1110-1010-101-000-000									2/12			66.04
					WARRANT TOTAL												\$328.84
02964206	070602/		EBS HEALTHCARE														
			PO-120120	1.	01-6500-0-5800.00-5770-1190-700-000-000									217151			3,108.00
					WARRANT TOTAL												\$3,108.00
02964207	070263/		FEDEX														
			PV-120329		01-0000-0-5960.00-0000-2700-700-000-000									7-811-56116			25.48
					WARRANT TOTAL												\$25.48

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0038 GENERAL FUND
 FUND : 01 GENERAL FUND

1	INT	VENDOR/ADDR REQ#	NAME (REMIT) REFERENCE LN	DEPOSIT TYPE FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	ABA NUM	ACCOUNT NUM DESCRIPTION	AMOUNT
02964208		002270/	FISHMAN SUPPLY CO.				
			PO-120230	1. 01-0000-0-4300.00-0000-8211-735-000-000		867348	37.33
				WARRANT TOTAL			\$37.33
02964209		001794/	LOUIE'S DELI				
			PV-120331	01-0000-0-4300.00-0000-7110-725-000-000		4227	78.70
				WARRANT TOTAL			\$78.70
02964210		000045/	MARIN COUNTY OFFICE OF EDUC				
			PV-120325	01-0000-0-5930.00-0000-2700-700-000-000		120821	75.00
				WARRANT TOTAL			\$75.00
02964211		070470/	MARIN RESOURCE RECOVERY CENTER				
			PV-120328	01-0000-0-5550.00-0000-8200-000-000-000		704401	30.00
				WARRANT TOTAL			\$30.00
02964212		070447/	MAXIM HEALTHCARE SERVICES				
			PO-120121	1. 01-6500-0-5835.00-5770-1182-700-000-000		556790084	424.00
				WARRANT TOTAL			\$424.00
02964213		070656/	PAULA RIGNEY				
			PV-120330	01-0000-0-4300.00-0000-7200-725-000-000		Reimb. coffee Pot @ DO	43.19
				WARRANT TOTAL			\$43.19
02964214		001811/	STATE OF CALIFORNIA				
			PV-120332	01-0000-0-5821.00-0000-7200-725-000-000		896986	32.00
				WARRANT TOTAL			\$32.00
02964215		001981/	SHIRLEY THORNTON				
			PV-120326	01-0000-0-5210.00-0000-7110-725-000-000		Reimb. Board Conf. 2/12	647.80
				WARRANT TOTAL			\$647.80
02964216		002834/	TIMELY TRANSPORTATION				
			PO-120073	1. 01-7230-0-5840.00-1110-3600-700-000-000		4/12	3,898.00
				WARRANT TOTAL			\$3,898.00
*** FUND		TOTALS ***		TOTAL NUMBER OF WARRANTS:	16	TOTAL AMOUNT OF WARRANTS:	\$9,145.72*

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
BATCH: 0038 GENERAL FUND
FUND : 40 SPECIAL RESERVE-CAP OUTLAY #1

INT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE					ABA NUM	ACCOUNT NUM	AMOUNT					
	REQ#	REFERENCE	LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION	
02964217	000870/	US BANK													
		PO-120156	2.	40-0000-0-7439	00-0000-9100-700-000-000									Lease Payment	415,000.00
														WARRANT TOTAL	\$415,000.00
*** FUND	TOTALS ***													TOTAL NUMBER OF WARRANTS:	1
														TOTAL AMOUNT OF WARRANTS:	\$415,000.00*
*** BATCH	TOTALS ***													TOTAL NUMBER OF WARRANTS:	17
														TOTAL AMOUNT OF WARRANTS:	\$424,145.72*
*** DISTRICT	TOTALS ***													TOTAL NUMBER OF WARRANTS:	17
														TOTAL AMOUNT OF WARRANTS:	\$424,145.72*

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DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0039 GENERAL FUND
 FUND : 01 GENERAL FUND

W	NT	VENDOR/ADDR REQ#	NAME (REMIT) REFERENCE LN	DEPOSIT TYPE FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	ABA NUM	ACCOUNT NUM DESCRIPTION	AMOUNT
02964931		070674/	BRUCE ABBOTT				
			PV-120333	01-0000-0-4300.00-0000-7200-725-000-000		Wireless Pointer - Reimb.	50.75
				WARRANT TOTAL			\$50.75
02964932		070668/	EMILY BEDECARRE				
			PV-120339	01-0000-0-4300.00-1110-1010-101-000-000		Reimb. 8th Grade Books	83.07
				WARRANT TOTAL			\$83.07
02964933		002004/	SUSAN CASSIDY				
			PV-120337	01-9474-0-5819.00-0000-3600-100-000-000		Reimb. Field Trip 1/31/12	137.50
				WARRANT TOTAL			\$137.50
02964934		070602/	EBS HEALTHCARE				
			PO-120120	1. 01-6500-0-5800.00-5770-1190-700-000-000		213386	3,108.00
				WARRANT TOTAL			\$3,108.00
02964935		002890/	LOUIS EDNEY				
			PV-120341	01-0000-0-5960.00-0000-7200-725-000-000		Reimb. MLK Bucks	10.78
				WARRANT TOTAL			\$10.78
02964936		002270/	FISHMAN SUPPLY CO.				
			PO-120230	1. 01-0000-0-4300.00-0000-8211-735-000-000		867902	945.96
				WARRANT TOTAL			\$945.96
02964937		070673/	GANDER PUBLISHING				
			PO-120265	1. 01-6500-0-4300.00-5770-1110-700-000-000		149414	152.25
				WARRANT TOTAL			\$152.25
02964938		070675/	SAMUEL GILL				
			PV-120338	01-9472-0-4300.00-1110-1010-100-000-000		Reimb. PE Equipment	17.89
				WARRANT TOTAL			\$17.89
02964939		001509/	PAULA HAMMONS				
			PV-120340	01-0000-0-4300.00-0000-7200-725-000-000		Reimb. Snacks for Testing	8.97
				WARRANT TOTAL			\$8.97
02964940		070657/	KCSOS				
			PO-120199	1. 01-0000-0-5849.00-0000-7300-700-000-000		202235	5,250.00

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0039 GENERAL FUND
 FUND : 01 GENERAL FUND

LN	NT	VENDOR/ADDR REQ#	NAME (REMIT) REFERENCE	DEPOSIT TYPE FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	ABA NUM	ACCOUNT NUM DESCRIPTION	AMOUNT
WARRANT TOTAL							\$5,250.00
02964941		070402/	MARIN IT INC				
			PO-120068	I. 01-8150-0-6454.00-0000-8400-735-000-000		2011-4216	18,216.02
WARRANT TOTAL							\$18,216.02
02964942		000548/	MOLLIE STONE'S				
			PV-120342	01-0000-0-4300.00-0000-7110-725-000-000		90981	27.97
WARRANT TOTAL							\$27.97
02964943		070448/	JONNETTE NEWTON				
			PV-120334	01-0000-0-4300.00-1110-1010-101-000-000		Reimb.	108.52
				01-9472-0-4300.00-0000-2495-100-000-000		Reimb.	55.06
				01-9479-0-4300.00-1110-1010-101-000-000		Reimb.	662.67
WARRANT TOTAL							\$826.25
02964944		000058/	P G & E CO				
			PO-120000	1. 01-0000-0-5510.00-0000-8200-000-000-000		Due 4/2/12	756.24
WARRANT TOTAL							\$756.24
02	745	000056/	PBI				
			PO-120008	1. 01-0000-0-5960.00-0000-7200-725-000-000		6820220-MR12	535.38
WARRANT TOTAL							\$535.38
02964946		070568/	KERRY SCOLA				
			PV-120335	01-9472-0-4300.00-1110-1010-100-000-000		Reimb. Counseling Supplies	62.28
WARRANT TOTAL							\$62.28
02964947		001953/	SPECTRUM CENTER				
			PO-120123	1. 01-6500-0-5833.00-5750-1185-700-000-000		90715	4,305.01
			PO-120125	1. 01-6500-0-5833.00-5750-1185-700-000-000		90717	6,360.25
			PO-120242	1. 01-6500-0-5833.00-5750-1185-700-000-000		90716	4,187.76
WARRANT TOTAL							\$14,853.02
02964948		002680/	STEPHEN ROATCH ACCOUNTANCY				
			PO-120136	1. 01-0000-0-5809.00-0000-7110-000-000-000		Billing #1 11-12 Audit	1,603.00

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0039 GENERAL FUND
 FUND : 01 GENERAL FUND

LN	INT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT									
		REQ#	REFERENCE	LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION	
WARRANT TOTAL																\$1,603.00
02964949		070053/	LYNDA STOREK													
			PV-120336		01	0000	0	4300	00	1110	1010	101	000	000	Reimb.	73.25
					01	9479	0	4300	00	1110	1010	101	000	000	Reimb.	69.50
WARRANT TOTAL																\$142.75
*** FUND		TOTALS ***		TOTAL NUMBER OF WARRANTS:		19		TOTAL AMOUNT OF WARRANTS:		\$46,788.08*						

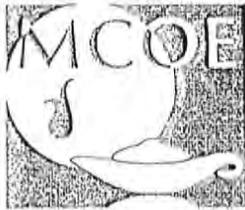
DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0039 GENERAL FUND
 FUND : 14 DEFERRED MAINTENANCE FUND

LN	NT	VENDOR/ADDR REQ#	NAME (REMIT) REFERENCE	DEPOSIT TYPE LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	ABA NUM	ACCOUNT NUM DESCRIPTION	AMOUNT
02964950		070402/	MARIN IT INC														
			PO-120068	2.	14-0000-0-5600.00-0000-8110-735-000-000											2011-4216	6,090.35
				2.	14-0000-0-5600.00-0000-8110-735-000-000											2012-5067	250.65
																WARRANT TOTAL	\$6,341.00
*** FUND		TOTALS ***						TOTAL NUMBER OF WARRANTS:	1						TOTAL AMOUNT OF WARRANTS:		\$6,341.00*

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0039 GENERAL FUND
 FUND : 35 BUILDING FUND PROP1A/SB50 CSSF

NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE										ABA NUM	ACCOUNT NUM	AMOUNT	
	REQ#	REFERENCE	LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION		
02964951	070402/	MARIN IT INC														
		PO-120068	3.	35	7710	0	6200	00	0000	8500	101	000	000	2012-5067	379.35	
														WARRANT TOTAL	\$379.35	
*** FUND TOTALS ***			TOTAL NUMBER OF WARRANTS:										1	TOTAL AMOUNT OF WARRANTS:		\$379.35*
*** BATCH TOTALS ***			TOTAL NUMBER OF WARRANTS:										21	TOTAL AMOUNT OF WARRANTS:		\$53,508.43*
*** DISTRICT TOTALS ***			TOTAL NUMBER OF WARRANTS:										21	TOTAL AMOUNT OF WARRANTS:		\$53,508.43*

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MARIN COUNTY OFFICE OF EDUCATION

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MARY JANE BURKE
MARIN COUNTY
SUPERINTENDENT OF SCHOOLS

(415) 472-4110
FAX (415) 491-6625

VENDOR PAYMENT CERTIFICATION

Date 3/28/12

District Name Sausalito Marin City District No. 47

The Governing Board of the District named hereon hereby authorizes and directs payment of vendor payments in the total of \$ 93,414.94.

<u>FUND NUMBER</u>	<u>BATCH NUMBER</u>	<u>AMOUNT</u>
<u>01</u>	<u>40</u>	<u>62,727.44</u>
<u>40</u>	<u>40</u>	<u>30,687.50</u>

Authorized Signature Paula Rigney

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0040 GENERAL FUND
 FUND : 01 GENERAL FUND

LN	NT	VENDOR/ADDR REQ#	NAME (REMIT) REFERENCE	LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	ABA NUM	ACCOUNT NUM DESCRIPTION	AMOUNT	
02965740		001196/	BARBARA ALMQUIST															
			PO-120269	1.	01	6500	0	5835	00	5770	1182	700	000	000		Logan 3/12	680.00	
			WARRANT TOTAL														\$680.00	
02965741		000192/	AT&T															
			PO-120002	1.	01	0000	0	5970	00	0000	2700	000	000	000		234 343-6954 760 3	1,474.86	
			WARRANT TOTAL														\$1,474.86	
02965742		070329/	AT&T CALNET 2															
			PV-120343		01	0000	0	5970	00	0000	2700	700	000	000		3/12	3,586.08	
			WARRANT TOTAL														\$3,586.08	
02965743		070668/	EMILY BEDECARRE															
			PV-120348		01	1100	0	4300	00	1110	1010	101	000	000		Reimb. Books	156.77	
			WARRANT TOTAL														\$156.77	
02965744		070420/	MARIKA BERGSUND															
			PO-120167	1.	01	9471	0	5800	00	1110	1010	700	000	000		120325 3-4/12	7,000.00	
			WARRANT TOTAL														\$7,000.00	
02965745		070513/	BOYS AND GIRLS CLUB															
			PO-120081	1.	01	6010	0	5840	00	1110	1010	700	000	000		SMCSD 4-2012	11,000.00	
			PO-120173	1.	01	9479	0	5840	00	1110	1010	101	000	000		TRAN 3-2012	452.13	
			WARRANT TOTAL														\$11,452.13	
02965746		070669/	EXCEL MICRO															
			PO-120251	1.	01	9479	0	4400	00	1110	1010	101	000	000		160988	561.00	
			WARRANT TOTAL														\$561.00	
02965747		001509/	PAULA HAMMONS															
			PV-120345		01	0000	0	4318	00	1110	2140	700	000	000		Reimb. 3/15-16 Workshop	83.65	
			WARRANT TOTAL														\$83.65	
02965748		001794/	LOUIE'S DELI															
			PV-120349		01	0000	0	4300	00	0000	7200	725	000	000		4232, 4235	182.35	
			WARRANT TOTAL														\$182.35	

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0040 GENERAL FUND
 FUND : 01 GENERAL FUND

LN	INT	VENDOR/ADDR REQ#	NAME (REMIT) REFERENCE	DEPOSIT TYPE LN	ABA NUM	ACCOUNT NUM DESCRIPTION	AMOUNT
02965749		000045/	MARIN COUNTY OFFICE OF EDUC				
			PO-120184	1. 01-0000-0-5840.00-0000-7705-700-000-000		120863	3,990.00
			PO-120217	1. 01-6500-0-5849.00-5001-2110-700-000-000		120862	5,000.49
				WARRANT TOTAL			\$8,990.49
02965750		070447/	MAXIM HEALTHCARE SERVICES				
			PO-120121	1. 01-6500-0-5835.00-5770-1182-700-000-000		597770084	2,067.00
				WARRANT TOTAL			\$2,067.00
02965751		001927/	MILL VALLEY SERVICES				
			PO-120273	1. 01-0000-0-4300.00-0000-7200-725-000-000		76124	93.29
				WARRANT TOTAL			\$93.29
02965752		000058/	P G & E CO				
			PO-120000	1. 01-0000-0-5510.00-0000-8200-000-000-000		Due 4/6/12	1,859.73
				1. 01-0000-0-5510.00-0000-8200-000-000-000		Due 4/9/12	2,434.01
				WARRANT TOTAL			\$4,293.74
02965753		000073/	PEARSON EDUCATION				
			PO-120264	1. 01-6500-0-4300.00-5770-1110-700-000-000		73397855	490.20
				WARRANT TOTAL			\$490.20
02965754		070381/	PEDIATRIC CONTRACTING SERVICES				
			PV-120350	01-6500-0-5835.00-5770-1182-700-000-000		23114	440.00
				WARRANT TOTAL			\$440.00
02965755		001206/	SHELL OIL CO.				
			PV-120346	01-0000-0-4301.00-0000-8110-735-000-000		3/12	235.88
				WARRANT TOTAL			\$235.88
02965756		002105/	STODGHILL GROUP				
			PV-120344	01-0000-0-5840.00-0000-7200-725-000-000		JFMAMJ 2012 V	1,750.00
				WARRANT TOTAL			\$1,750.00
02965757		070580/	TRAHAN MECHANICAL				
			PO-120277	1. 01-8150-0-5600.00-0000-8110-735-000-000		14878	1,490.00

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0040 GENERAL FUND
 FUND : 01 GENERAL FUND

NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
REQ#	REFERENCE	LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	DESCRIPTION		

WARRANT TOTAL						\$1,490.00
02965758	002172/	WILLOW CREEK ACADEMY				
		PV-120347	01-0000-0-8096.00-0000-9200-103-000-000		Balance of March payment	17,700.00
WARRANT TOTAL						\$17,700.00
*** FUND	TOTALS ***		TOTAL NUMBER OF WARRANTS: 19		TOTAL AMOUNT OF WARRANTS:	\$62,727.44*

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0040 GENERAL FUND
 FUND : 40 SPECIAL RESERVE~CAP OUTLAY #1

INT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE							ABA NUM	ACCOUNT NUM	AMOUNT		
	REQ#	REFERENCE LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	DESCRIPTION	
02965759	000870/	US BANK												
		PO-120156	2.	40-0000-0-7439.00-0000-9100-700-000-000									Interest-Lease payment	30,687.50
													WARRANT TOTAL	\$30,687.50
***	FUND	TOTALS ***											TOTAL NUMBER OF WARRANTS: 1	TOTAL AMOUNT OF WARRANTS: \$30,687.50*
***	BATCH	TOTALS ***											TOTAL NUMBER OF WARRANTS: 20	TOTAL AMOUNT OF WARRANTS: \$93,414.94*
***	DISTRICT	TOTALS ***											TOTAL NUMBER OF WARRANTS: 20	TOTAL AMOUNT OF WARRANTS: \$93,414.94*

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DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0041 GENERAL FUND
 FUND : 01 GENERAL FUND

LN	NT	VENDOR/ADDR REQ#	NAME (REMIT) REFERENCE	DEPOSIT TYPE LN	FD	RESC	Y	OBJT	SO	GOAL	FUNC	LOC	ACT	GRP	ABA NUM	ACCOUNT NUM DESCRIPTION	AMOUNT
02966048		002550/	ASSOCIATED VALUATION SERVICES														
			PO-120005	1.	01-0000-0-5849.00-0000-7200-700-000-000										3747		231.25
																	\$231.25
02966049		070358/	AT&T														
			PO-120003	1.	01-0000-0-5970.00-0000-7200-700-000-000										3/12		31.21
																	\$31.21
02966050		070329/	AT&T CALNET 2														
			PO-120001	1.	01-0000-0-5970.00-0000-2700-700-000-000										324 0769		14.58
																	\$14.58
02966051		000006/	BAY CITIES REFUSE INC														
			PO-120007	1.	01-0000-0-5550.00-0000-8200-000-000-000										4/12		2,413.25
																	\$2,413.25
02966052		001000/	FORSTER PUMP & ENGINEERING														
			PO-120260	1.	01-8150-0-5600.00-0000-8110-735-000-000										1487027		4,353.83
																	\$4,353.83
02966053		001611/	HEALTH NET														
			PV-120355		01-0000-0-9520.00-0000-0000-000-000-000										4/12		632.83
																	\$632.83
02966054		001704/	HOME DEPOT														
			PV-120358		01-8150-0-4300.00-0000-8100-735-000-000										Maintenance Tools		99.72
																	\$99.72
02966055		000039/	KAISER FOUNDATION														
			PV-120354		01-0000-0-3402.00-0000-7110-725-000-000										16734-0001		1,086.86
					01-0000-0-9520.00-0000-0000-000-000-000										16734-0001		7,920.72
					01-0000-0-9520.00-0000-0000-000-000-000										578-0002		6,369.88
																	\$15,377.46
02966056		000117/	MARIN SCHOOLS JPA/VISION														
			PV-120353		01-0000-0-9520.00-0000-0000-000-000-000										4/12		475.56

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0041 GENERAL FUND
 FUND : 01 GENERAL FUND

LN	NT	VENDOR/ADDR REQ#	NAME (REMIT) REFERENCE	DEPOSIT TYPE SO GOAL FUNC LOC ACT GRP	ABA NUM	ACCOUNT NUM DESCRIPTION	AMOUNT
WARRANT TOTAL							\$475.56
02966057		000015/	MSIA DENTAL				
			PV-120352	01-0000-0-9520.00-0000-0000-000-000-000		4/12	3,665.77
WARRANT TOTAL							\$3,665.77
02966058		070531/	MUSIC IS ELEMENTARY				
			PV-120357	01-9476-0-4400.00-1454-1010-100-000-000		Tax amount on 2010 invoice	96.31
WARRANT TOTAL							\$96.31
02966059		070658/	NATIONAL EQUITY PROJECT				
			PO-120197	2. 01-9472-0-5849.00-0000-2100-100-000-000		SAU-0312	2,500.00
				1. 01-9479-0-5849.00-0000-2100-101-000-000		SAU-0312	2,500.00
WARRANT TOTAL							\$5,000.00
02966060		070676/	NRFSP				
			PV-120356	01-0000-0-4300.00-0000-8210-735-000-000		Reprint Berti Certification	18.00
WARRANT TOTAL							\$18.00
02966061		000058/	P G & E CO				
			PO-120000	1. 01-0000-0-5510.00-0000-8200-000-000-000		Due 4/12/12	2,366.44
WARRANT TOTAL							\$2,366.44
02966062		070222/	PROTECTION ONE				
			PO-120004	3. 01-0000-0-5840.00-0000-8300-725-000-000		4/12	575.19
WARRANT TOTAL							\$575.19
02966063		070406/	SILYCO				
			PO-120024	1. 01-0000-0-5849.00-0000-2420-700-000-000		MAR2012	3,600.00
WARRANT TOTAL							\$3,600.00
02966064		070200/	STANDARD INSURANCE COMPANY CB				
			PV-120351	01-0000-0-9520.00-0000-0000-000-000-000		4/12	354.39
				01-0000-0-9520.00-0000-0000-000-000-000		4/12	44.10
WARRANT TOTAL							\$398.49
02966065		070677/	LYDIA TUVESON				
			PV-120359	01-6500-0-5835.00-5770-1182-700-000-000		01LT2011-12	405.00

DISTRICT: 47 SAUSALITO SCHOOL DISTRICT
 BATCH: 0041 GENERAL FUND
 FUND : 01 GENERAL FUND

NT	VENDOR/ADDR	NAME (REMIT)	DEPOSIT TYPE	ABA NUM	ACCOUNT NUM	AMOUNT
REQ#	REFERENCE	LN	FD RESC Y OBJT SO GOAL FUNC LOC ACT GRP	DESCRIPTION		

WARRANT TOTAL						\$405.00
*** FUND	TOTALS ***		TOTAL NUMBER OF WARRANTS: 18	TOTAL AMOUNT OF WARRANTS:		\$39,754.89*
*** BATCH	TOTALS ***		TOTAL NUMBER OF WARRANTS: 18	TOTAL AMOUNT OF WARRANTS:		\$39,754.89*
*** DISTRICT	TOTALS ***		TOTAL NUMBER OF WARRANTS: 18	TOTAL AMOUNT OF WARRANTS:		\$39,754.89*

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Sausalito Marin City
School District
School Calendar 2012-2013

	M	T	W	Th	F	S	Days					
		6	7	8	9	10		August 20, 2012	Staff Development Day			
								August 21, 2012	Teacher Work Day			
August		13	14	15	16	17	8	August 22, 2012	Teacher Work Day			
	△	20	21	22	23	24		August 23, 2012	First Day of School			
		27	28	29	30	31	☆	August 31, 2012	Minimum Day	Week 1		
	□	3	4	5	6	7		September 3, 2012	Labor Day	Week 2		
		10	11	12	13	14	18	September 6, 2012	Back to School Night MLK	Week 2		
Sept.		17	18	19	20	21		September 14, 2012	Staff Development	Week 3		
		24	☆	25	☆	26	28	September 19, 2012	Back to School Night Bayside	Week 4		
								September 25 & 2, 2012	Parent Conf. Min. Days MLK	Week 5		
		1	☆	2	3	☆	4	5	October 2 & 4, 2012	Parent Conf. Min. Days Bayside	Week 6	
Oct.		8	9	10	11	12	23			Week 7		
		15	16	17	18	19				Week 8		
		22	23	24	25	26		October 26, 2012	End of 1st Quarter - MLK	Week 9		
		29	30	31								
				△	1	2		November 1, 2012	Staff Development Day	Week 10		
Nov.		5	6	7	8	9	15	November 12, 2012	Veteran's Day	Week 11		
	□	12	13	14	15	16		November 16, 2012	End of 1st Trimester - Bayside	Week 12		
		19	20	21	□	22	○	23	November 22 & 23, 2012	Thanksgiving & Local Holiday		
		26	27	28	29	30		November 19-23, 2012	Thanksgiving Recess	Week 13		
		3	4	5	6	7		Dec. 24, 2011-Jan. 4, 2013	Winter Recess	Week 14		
Dec.		10	11	12	13	14	15	December 21, 2012	Minimum Day	Week 15		
		17	18	19	20	☆	21	Dec. 24, 26 & 31, 2012	Local Holiday	Week 16		
	○	24	□	25	○	26	28	December 25, 2012	Christmas Holiday			
	○	31										
	□	1	2	3	4			January 1, 2013	New Year Holiday			
Jan.		7	8	9	10	11	18	January 7, 2013	Students Return to School	Week 17		
		14	15	16	17	18		January 18, 2013	End of 2nd Quarter - MLK	Week 18		
	□	21	22	23	24	25		January 21, 2013	Martin Luther King Jr. Day	Week 19		
		28	29	30	31							
						1				Week 20		
Feb.		4	5	6	7	8	15	February 18-22, 2013	Winter Recess	Week 21		
		11	12	13	14	15		February 18, 2013	Presidents' Day	Week 22		
	□	18	19	20	21	○	22	February 22, 2013	Lincoln's Birthday, local holiday			
		25	26	27	28							
						1				Week 23		
March		4	5	6	7	8	21	March 8, 2013	End of 2nd Trimester - Bayside	Week 24		
		11	12	13	14	15		March 19 & 21, 2013	Parent Conf. Bayside Min. Days	Week 25		
		18	☆	19	☆	20	21	22		Week 26		
		25	26	27	28	29		March 29, 2013	End of 3rd Quarter - MLK	Week 27		
		1	☆	2	3	☆	4	5	April 2 & 4, 2013	Parent Conf. MLK Min. Days	Week 28	
April		8	9	10	11	○	12	17	April 12, 2013	Classified in lieu Day		
		15	16	17	18	19		April 8-12, 2013	Spring Recess	Week 29		
		22	23	24	25	26				Week 30		
		29	30									
				1	2	3		May 15, 2013	Open House - Bayside	Week 31		
May		6	7	8	9	10	22	May 22, 2013	Open House - MLK	Week 32		
		13	14	15	16	17				Week 33		
		20	21	22	23	24		May 27, 2013	Memorial Day	Week 34		
	□	27	28	29	30	31		March 29, 2013	End of 3rd Trimester	Week 35		
		3	4	5	6	7		June 7, 2013	End of 4th Quarter - MLK	Week 36		
June		10	11	12	☆	13	△	14	8	June 13, 2013	Last School Day for Students Min. Day	Week 37
		17	18	19	20	21		June 14, 2013	Teacher Work Day			
□	Legal holiday		No school on "shaded days"				180	Days of Student Attendance				
△	Teacher work day/Staff Dvpt.						186	Total Teacher Work Days/Salary Schedule				
☆	Minimum day						7	Minimum Days per school site				
○	Local holiday						3	Staff Development Day/Contract/Salary Schedule				
							3	Teacher Work Days/Contract/Salary Schedule				
Holiday: July 4th, 2013												

2012-2013

August 2012						
Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September 2012						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

October 2012						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November 2012						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December 2012						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

January 2013						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February 2013						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March 2013						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April 2013						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May 2013						
Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June 2013						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July 2013						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Date	Event or Holiday
	School Holidays
	Staff Development Days (no students)
	Minimum Days
	Teacher Work Days (no students)
	Finals Schedule
August 20:	Staff Development Day
August 21:	Teacher Work Day
August 22:	First Day of School
September 3:	Labor Day
September 24:	Staff Development Day
October 3:	Minimum Day
October 22:	Staff Development Day
November 12:	Veterans Day (observed)
November 21,22,23:	Thanksgiving Break
December 19, 20, 21:	Finals Schedule
December 24 - January 4:	Winter Break
January 7:	Teacher Work Day
January 8:	Staff Development Day
January 9:	First Day of Second Semester
January 21:	Martin Luther King Day
February 6:	Minimum Day
February 18 - 22:	February Break
March 18:	Staff Development Day
April 8 - 12:	Spring Break
May 27:	Memorial Day
June 11, 12, 13:	Finals Schedule
June 14:	Teacher Work Day

Valenzuela/CAHSEE Lawsuit Settlement
Quarterly Report on Williams Uniform Complaints
 [Education Code § 35186(d)]

District:

Sausalito Marin City School District

Person completing this form: Valerie Pitts, Ed.D. Title: Superintendent

Quarterly Report Submission Date: January 2012
 April 2012
 July 2012
 October 2012

Date for information to be reported publicly at governing board meeting April 19, 2012

Please check the box that applies:

- No complaints were filed with any school in the district during the quarter indicated above.
- Complaints were filed with schools in the district during the quarter indicated above. The following chart summarizes the nature and resolution of these complaints.

General Subject Area	Total # of Complaints	# Resolved	# Unresolved
Textbooks and Instructional Materials			
Teacher Vacancy or Misassignment			
Facilities Conditions			
CAHSEE Intensive Instruction and Services			
TOTALS	0	0	0

Valerie Pitts, Ed. D.
 Print Name of District Superintendent

 Signature of District Superintendent

 Date

**BOARD OF TRUSTEES
OF THE
SAUSALITO MARIN CITY SCHOOL DISTRICT**

**APPRECIATION
OF
SAUSALITO MARIN CITY SCHOOL DISTRICT EMPLOYEES**

RESOLUTION # 660

WHEREAS, the teachers, classified staff, support staff and administrators of the Sausalito Marin City School District have dedicated their lives and talents to the education of our students – our community’s most precious and important resource; and

WHEREAS, the Sausalito Marin City School District Board of Education acknowledges the special skills required of our staff in serving the most challenging and rewarding students; and

WHEREAS, the Board recognizes that it is all staff who help achieve the goal of providing leadership in quality education programs that are student-centered, accountable, and cost-effective; and

WHEREAS, the Board has the utmost respect for the work of each employee with students, parents, districts and the community.

NOW, THEREFORE, BE IT RESOLVED that the Sausalito Marin City School District Board of Education proclaims the week of May 14, 2012 as a time for employee recognition. In doing so, the Board expresses its sincere appreciation to all employees in whatever role, who daily make the education of students possible and thereby affect eternity.

THIS RESOLUTION WAS ADOPTED by the Sausalito Marin City School District Board of Education at a public meeting on April 19, 2012.

AYES _____ **NOES** _____ **ABSENT** _____

ATTEST:

President of the Board

Clerk of the Board

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into the 15 day of March 2012 by and between the Sausalito Marin City School District ("District") and California School Employees Association, Chapter #394 ("Association") to address the effects of the increase in work hours of Edward Louis Edney ("Edney").

The parties met on March 15, 2012 and agreed to the following:

1. Edward Louis Edney is a classified employee represented by CSEA.
2. Edney is a Paraprofessional, Special Education
3. His hours as a Paraprofessional, Special Education will be increased by Resolution of the District's Board from six (6) to seven (7) hours per day. Such action will be taken by District's Board on April 19, 2012 with an effective date of close of business January 3rd, 2012.
4. The additional hour assignment is a temporary, "short-term" position. This temporary project of limited duration, when completed, shall no longer be required. The assignment date is from January 3rd, 2012 to June 7th, 2012.
5. The parties will re-assess and re-evaluate the School Master Schedule and Special Education Program by late Spring 2012 to determine the delivery of classified services for the 2012-2013 year. Should the District determine that the hours be increased again for 2012/2013 then Louis Edney shall be offered the additional time with a specified expiration date for the 2012/2013 school year.
6. This MOU may be signed in counterparts and by facsimile, such that signatures may appear on separate signatures pages. A copy or original of this document with all signature pages appended together shall be deemed a fully executed Agreement.

For District:

Date

For CSEA, Chapter 394:

Date

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into the 15 day of March 2012 by and between the Sausalito Marin City School District ("District") and California School Employees Association, Chapter #394 ("Association") to address the effects of the increase in work hours of Chaeta A. Baker ("Baker").

The parties met on March 15, 2012 and agreed to the following:

1. Chaeta A. Baker is a classified employee represented by CSEA.
2. Baker is a Paraprofessional.
3. Her hours as a Paraprofessional will be increased by Resolution of the District's Board from three and a half (3.5) to five and a quarter (5.25) hours per day. Such action will be taken by District's Board on April 19, 2012 with an effective date of close of business January 5th, 2012.
4. The additional hour assignment is a temporary, "short-term" position. This temporary project of limited duration, when completed, shall no longer be required. The assignment date is from January 5th, 2012 to June 7th, 2012.
5. The parties will reassess and reevaluate the School Master Schedule by late Spring 2012 to determine the delivery of classified services for the 2012-2013 year. Should the District determine that the hours be increased again for 2012/2013 then Chaeta A. Baker shall be offered the additional time with a specified expiration date for the 2012/2013 school year.
6. This MOU may be signed in counterparts and by facsimile, such that signatures may appear on separate signatures pages. A copy or original of this document with all signature pages appended together shall be deemed a fully executed Agreement.

For District:

For CSEA, Chapter 394:

Date

Date

Sausalito Marin City School District
200 Phillips Drive
Marin City, CA 94965

Orlando Lobo
President
Willow Creek Academy Charter School
33 Buchanan Dr.
Sausalito, CA 94965

March 8, 2012

Re: Final Letter Regarding Facilities to Be Allocated Under Prop 39/
Willow Creek Academy Charter School

Dear Mr. Lobo:

This constitutes the final letter in response to the October 28, 2011 request for facilities you submitted to Sausalito Marin City School District (“District”) on behalf of the Willow Creek Academy (WCA) Charter School (“Charter School”) for the 2012-2013 school year.

Section 11969.9, subdivision (f) of Title 5 of the California Code of Regulations requires a school district, in response to a request for facilities, to prepare in writing a preliminary proposal regarding the space to be allocated to the Charter School and/or to which the Charter School is to be provided access. The District has accordingly prepared this preliminary proposal in accordance with applicable regulations. (Cal. Code Regs., tit. 5, § 11969.1 et seq.; “Prop 39 Regulations”.)

Projections of In-District Classroom ADA on Which Proposal Is Based

The Prop 39 Regulations require the District to set forth the projections of in-District classroom average daily attendance (“ADA”) on which the District’s preliminary proposal is based. The District has determined that the ADA projections set forth in the Charter School’s October 28, 2011 letter are reasonable. Therefore, this offer is based on the 189 units of in-District classroom ADA that Charter School has projected for 2012-2013. The district and charter agree that an additional self-contained classroom at the campus of Bayside Elementary be provided to accommodate Charter enrollment growth. Please see the attached facilities map for a complete description of Charter designated facilities on the Bayside campus.

The District also provides other program space to the Charter: multi-use rooms, administrative offices, shared specialist program space and shared multi-purpose room.

Specific Location of the Space

For the 2012-2013 school year, the District will locate Charter School at the site it currently occupies in the 2011-2012 school year. Specifically, the District will make available to Charter School the facilities at the District's Bayside Elementary School site located at 630 Nevada St. Sausalito, CA.

All Conditions Pertaining to the Space

The use and occupation of the facilities by the Charter School is conditioned upon the execution of the current Facilities Use Agreement. The District and Charter should review the Facilities Use Agreement pertaining to custodial and maintenance fees.

Projected Pro Rata Share Amount

For 2012-2013, the District will waive the pro-rata share described in Education Code section 47614. Instead, the District will collect an oversight fee of 3%, as set forth in Education Code section 47613. The District does not waive its right to collect a pro-rata share at some point in the future.

Comparison Group Schools Used in Developing Preliminary Proposal

The Prop 39 Regulations require that the District's preliminary proposal list the schools in the "comparison group", a term that is defined by section 11969.3, subdivision (a)(2), of the Prop 39 Regulations. Because the District does not operate K-8 schools like the Charter School, it has determined that, for purposes of the Charter School's facilities request, Bayside Elementary School comprises the K-4 comparison group and that Martin Luther King Academy Middle School comprises the 5-8 middle school comparison group.

Description of Differences Between Preliminary Proposal and Charter School's Facilities Request

For the 2012-2013 school year, the District will provide the Charter School with the same facilities at the same site it occupies in the current 2011-2012 school year plus one additional self-contained classroom. Charter School's October 28, 2011 letter requested continued use of the same facilities it is currently occupying at the Bayside Campus plus two additional classrooms and shared space of the cafeteria at lunch. In a subsequent meeting between the Charter School president and the District superintendent, the Charter president re-stated the request to be amended to a request for one additional self-contained classroom. The District will determine the appropriate classroom and assign it to the Charter prior to June 30, 2012.

Conclusion

We look forward to continuing our relationship with WCA regarding its facilities needs. Please feel free to contact me with any questions.

Sincerely,

Valerie Pitts, Ed.D.
Superintendent