



ID	Description	Start Date	Budget
	3		
<p>1. Establish standing monthly meetings between the Budget and Personnel departments to discuss issues and develop new policies and procedures for the position control process and increase efficiency and effectiveness.</p> <p>2. Continue holding weekly meetings between Personnel, Payroll, Risk Management, the CBO and others for open communication and quick resolution of issues.</p>	<p>Budget and Personnel departments will establish monthly meetings to discuss issues and develop new policies and procedures for the position control process and increase efficiency and effectiveness.</p> <p>Adopted, this is the current practice.</p>	<p>February 2007</p> <p>Partially Implemented Due to Escape On-Line</p> <p>Current practice</p>	<p>-0-</p> <p>-0- designated ba</p>
<p>4. Review the distribution of position control responsibilities between the Business and Personnel departments when changes in responsibility occur to ensure that internal controls continue to be in place for salary and benefits.</p>	<p>If there are changes in the future, staff will involve the Internal Audit Department to ensure internal controls are in place.</p>	<p>On-going</p>	<p>-0-</p>
<p>5. Fully utilize the online position control system by entering all salary accounts into the system, eliminating manual entry, allowing position control to regulate the budget all year long, and ensuring that salary and benefit lines are not vulnerable to over-expenditure.</p>	<p>Staff currently use the position control system to generate salary and benefit information. Because of the large number of employees, staff enter data manually to ensure that all positions are reviewed and approved prior to budgeting funds for them. This is a control check to ensure accurate budgeting for the largest portion of our budget.</p>	<p>2007/08 Adopted</p> <p>Will be Fully Implemented with Escape On-Line</p>	<p>-0-</p>


Item	Item	Item	Item
6. Stop the practice of budgeting by salary estimates. Additional calculations and reconciliations are not necessary to determine how actual costs to date and estimated costs for the rest of the year reconcile back to the budgeted amount.	While budgeting average salaries is not an essential common practice, staff will budget actual salaries for all known employees and averages for vacant/new positions. Workload will be analyzed to determine the additional staff time required to update the actual salaries based on employee movement throughout the year.	2007/08 Adopted Budget Implemented	Undetermined at this time. Significant staff time will be required.
7. Ensure that the position control system is fully integrated to help the district maintain accurate budget projections, employee demographic data, and salary and benefit information.	Staff will continue to update and revise procedures to fully utilize the position control system.	Current Practice	-0-

3. Consider using the encumbering option for salaries and benefits to analyze actual salary and benefit expenditures date against the remaining budgets in a more efficient and reliable way.	Staff will study and consider using the encumbering system for 2007-08.	Undetermined at this time Will be Fully Implemented with Escape On-Line	Undetermined at this time
4. Charge expenditures to the budget categories to which they belong as they occur rather than using the current practice of moving expenditures via transfers at year end. The current practice should be discontinued as soon as possible.	Staff agree that budget transfers should occur more frequently than at the end of the year. This will not significantly change any reporting information that is provided to the Board, SCOE or state but does create a clearer picture if audited.	Immediately Implemented	Increased Staff Time
5. Establish a system to ensure that funds are spent in accordance with applicable laws and regulations transferring expenditures from one resource to another.	Currently charges are reviewed by budget staff and site administrators to ensure that expenditures are within the guidelines of the specific programs.	Current Practice	-0-
6. Discontinue the practice of negative budgeting.	Negative budgeting is not a practice of the District unless it is shown in the budget as a specific credit for a specific budget item that has been identified.	n/a	-0-
7. Prevent carryover by reviewing and spending funds and restricted categorical programs in the year they are received whenever possible.	Budget staff work closely with school sites and program managers daily regarding categorical funds. During a mid-year individualized meeting with staff from budget, Personnel, appropriate associate and principal, all budgets and plans for spending are reviewed.	Current Practice	-0-



Item	Description	Action	Status
1. Identify additional budget areas where expenditures can be reduced or revenues increased to allow the district to implement a financial recovery that can be sustained.	The District-Wide Budget Advisory Committee has been in place for several years and continuously reviews budget areas for cost savings. In addition, FCMAT was brought in for recommendations and staff frequently review budgets for potential savings/cost containment.	Current Practice	Unknown
2. Identify budget adjustments so that the effect is less greater over time. Delaying action could lead to significant reductions at a later time.	Staff agree with the recommendation and will work with the District-Wide Budget Advisory Committee.	Immediately Implemented when possible	-0-

Item	Description	Timeline	Budget
7. Assess a 3% administrative charge against the developer fee fund, as allowed by law.	Staff have not charged the 3% administrative charge against the developer fee fund as those funds were used for appropriate capital projects. As the district plans to charge developer fees the appropriate share of the debt service payment, it may not be feasible to also charge the 3% administrative charge. Staff will analyze annually and assess the fee if appropriate.	Immediately Implemented as appropriate	-0-
8. Transfer the deferred maintenance match through Routine Repair and Maintenance Resource in order to the match toward the overall 3% requirement of EC 170007.5 when the match is funded through the general fund.	From the past several years, in an attempt to help balance our budget, the District has funded the deferred maintenance match out of one time, non-general funds. In 2006/07 the District was able to charge a portion of the match to the general fund (Routine Repair and Maintenance Resource). In the future staff will continue to maximize this option and include any allowable charge in the 3% requirement for the Routine Repair and Maintenance Resource.	Current practice to help the extent allowable Implemented when match is made from GF dollars	-0-
9. Negotiate a cap on health benefit plans with the collective bargaining units.	Staff agree with this recommendation and are currently working on multiple strategies. Information is communicated to our Chief Negotiator.	On-going	Unknown
10. Use different accounts to fund substitute teachers on the reason for using the substitute. The central budget should be charged for substitutes needed because of employee illness. Site discretionary budgets should be charged for substitutes that are used for reasons that are in the site administrator's control.	The District will review the current account structure used for substitute charges and establish a committee to review and create a more efficient and accurate reporting process for substitute charges.	Immediately On-going Process with Escape On-Line	Unknown
11. Ensure that there is a process to collect overpayments from employees. Although it was reported that the district has such a process, some employees indicated that it is not consistently used.	There is a process in place to collect overpayments however staff will research any areas where it might be inconsistently used.	Immediately Implemented	-0-

Item	Description	Status	Impact
12. Consider identifying a specific special month-end payroll in which employees are required to pick up their monthly paychecks at the district office.	Staff will work with the Superintendent and Controller to consider this recommendation. This type of audit was done several years ago with very few discrepancies.	January 2007 Not Implemented	Unknown
13. Discuss the method of coordinating Medicare benefits with the retiree health-plan benefits to determine whether overall reduction in retiree health costs can be achieved.	Staff agree with this recommendation and are currently working on multiple strategies. Information is communicated to our Chief Negotiator.	On-going	Unknown
14. Discuss a health and welfare cap or increase to the payment to help curb increasing premiums.	Staff agree with this recommendation and are currently working on multiple strategies. Information is communicated to our Chief Negotiator.	On-going	Unknown
			
1. Include in the annual budget a mission statement, statement of core values, or a strategic plan that has been approved by the Governing Board.	Staff agree with this recommendation.	2007/08 Adopted Budget Implemented	-0-
2. Draft and approve budget development policies so that district goals, objectives, concepts and guidelines can be linked to the district's expenditure plan. These policies must be adopted by the board so that staff and the public understand that the budget reflects the district's goals and objectives.	Staff agree with this recommendation.	Fall 2007 Partially Implemented	-0-
3. Develop spending standards and formulas that clearly reflect the district's goals and objectives, and include them in the budget document.	Staff will include goals and objectives in the budget document.	2007/08 Adopted Budget Partially Implemented	-0-
4. Document the technical process used for budget development.	Staff agree with this recommendation and will work through the ISO process.	On-going Partially Implemented	-0-
5. Clearly identify one time sources and offsets.	Staff agree with this recommendation.	2007/08 Adopted Budget Implemented	-0-

Item	Description	Status	Budget
6. Continue holding board study sessions and community meetings during budget development to demonstrate that the district is working with the community and ensuring that the public is part of the process. This will also communicate to the public that the district intends to answer questions about the budget.	As noted, this is a current practice.	Current Practice	-0-
7. Link expenditures by program and/or department to district's strategic priorities and core values, and include this information in the formal budget document. This should help clarify the expenditure plan for both the Governing Board and interested community members.	Staff will research this request and determine how to implement.	Unknown Implementation in 2009-10	Unknown
8. Continue to create a comprehensive budget development calendar detailing major budget preparation activities. This calendar should allow for input from the board, Superintendent and cabinet regarding district goals and objectives for the upcoming year and subsequent years.	As noted, this is a current practice.	Current Practice	-0-
9. Create a formal budget development procedures manual and develop desk manuals for each business office position that participates in budget development. These manuals should specify how various tasks are carried out to ensure the efficiency and accuracy of budget data, and maintain continuity in case of staff turnover.	Staff agree with this recommendation.	2007/08 Fiscal Year Not Fully Implemented – ISO Process	Increased Staff Time
10. Continue to produce the Budget Process Handbook, an accounting and budget procedures manual for sites and departments. This handbook should be revised periodically and forwarded to sites and departments annually so that they understand what is expected of them and why.	As noted, this is a current practice.	Current Practice	-0-
11. Review all revenues and designate one time income and one time expenses.	Staff agree with this recommendation.	2007/08 Adopted Budget Implemented	-0-

12. Add interim reporting requirements to the annual budget calendar.

Item	Item	Item	Item
1. Ensure that the instructional department develops and monitors the district's categorical budget, including carryovers.	Budget staff work closely with the instructional department to monitor categorical budgets. In addition, instructional department staff are trained to run and read various financial reports that provide real time information from the finance system.	Current Practice	-0-
2. Budget expenditures and revenue for consolidated application funding prior to the school site plan approved. Once school site plans are approved, budgets should be adjusted accordingly.	School site plans are approved in the first week of the new school year. The Adopted Budget for that year is approved prior to that date and the District does not allow access to those budgets until the Board has approved those budgets. Once the site plans are approved by the Board, July the funds are made available to sites.	Current Practice	-0-
3. Estimate and budget for deferred revenues, carryover balances and their appropriate expenditures and include them in the adopted budget.	Potential over-estimating of carryovers/deferred revenues could require significant mid-year reductions once the books are closed and actual carryovers are known.	Under Review Under Review	District will be required to increase the amount of the required 2% reserve from general funds. This will require budget reductions in other areas.

4. Ensure that additional review and approval occurs currently the District does not have one specific personnel and purchase requisitions that are charged to a position at J 0 -1. categorical programs for compliance and approval.

h

h

h
h

h
h

5. Develop plans to extend carryover funds, withIn addition to instruction department staff1ion departmtions. recognition that these funds are not recurring. In addition, plans should be made for categorical funds the district expects to receive. All expenditplans must be consistent with categorical funding guidelines and restrictions.

Fh	Fh	Fh Fh	Fh Fh
<p>2. Conduct a monthly review of the general ledger, including accounts payable and receivable, to ensure that the general ledger is in balance and to determine if accounts have been properly reconciled and/or cleared. The district should reverse entries and follow up as needed with outside agencies or vendors regarding pay or collection. In addition, the staff should make certain that current year revenues are not overstated by the inadvertent posting of prior year accrual to current year income. All prior accounts should be cleared by second interim at the latest, although clearing them prior to that is recommended.</p>	<p>Current practice is to review activity in the revenue accounts. Balances from prior year that are not cleared within a reasonable timeline are addressed and adjustments are made if necessary. Prior year accounts receivables and payables are reversed to a specific prior year revenue account and segregated from current year income, therefore revenues are properly recorded in the correct year.</p>	<p>Current Practice</p>	<p>-0-</p>
<p>3. Immediately review and correctly adjust all outstanding receivables and payables in all funds so that the effect on the 2005-2006 year is realized as soon as possible.</p>	<p>See #2 above.</p>	<p>Current Practice</p>	<p>-0-</p>
<p>4. Consider stopping the practice of using the general accounts payable and receivable for current year transactions. If the practice of charging both current and prior year in the general ledger continues, the district should specify different object codes each year so that it is clear to which year the transaction belongs.</p>	<p>See #2 above.</p>	<p>Current Practice</p>	<p>-0-</p>

1. Conduct an annual training session for school administrators and key staff members on the various features of the Escape system, in addition to the trainings that are already occurring on a regular basis.

Staff agree with this recommendation and will continue to offer Escape training. Staff will review training materials and develop a training schedule to make available to all site/departments administrators.

2007/0.raining.1es a(s)-3.b 6lu.02 -1.02

Item	Item	Item	Item
4. Determine a fair and equitable charge to both unres and categorical funds for the amortization of the unfunded liability if district decides to charge the liability to categorical funds. The district should ensure that whatever method is chosen, the costs to all programs is fully documented for future reference and discussion in an audit.	Staff will research this request and how to implement.	Unknown Continued Under Review	Unknown
5. Review the current unfunded retiree benefit liability and determine the period of time to be used for its amortization up to 30 years.	Staff will research this request and how to implement.	Unknown Continued Under Review	Unknown
6. Determine the funding level of the annual required contribution.	Staff will research this request and how to implement.	Unknown Continued Under Review	Unknown

7. Decide whether to establish an