

Fiscal Responsibility

The District shall maintain a high level of financial stability and shall not compromise its long-term financial integrity to achieve short-term benefits. The District is committed to conducting the work of the District in a fiscally responsible way and taxing only to the extent necessary to adequately fund the District. The District will work to reduce the overall tax rate when it is able to do so while maintaining the high standards of excellence expected in the District. If the overall tax rate will increase by more than four percent, the qualified voters of the District by petition may require that an election must be held to determine whether to ratify the tax rate unless the increase is the result of a voter-approved bond, a tax ratification election, or legislative action.

A petition under this provision is valid only if:

(1) it states that it is intended to require an election in the district on the question of ratifying the tax rate adopted for the current year;

(2) it is signed by a number of registered voters of the district equal to at least seven percent of the number of registered voters of the district according to the most recent official list of registered voters; and

(3) it is submitted to the board on or before the 90th day after the date on which the board adopted the tax rate for the current year.

Not later than the 30th day after the day a petition is submitted, the board shall determine whether or not the petition is valid and pass a resolution stating its finding. If the board fails to act within the time allowed, the petition is treated as if it had been found valid.

If the board finds that the petition is valid (or fails to act within the time allowed), it shall order that an election be held in the district on a date not less than 30 or more than 90 days after the last day on which it could have acted to approve or disapprove the petition.

All Trustees, employees, vendors, contractors, agents, consultants, volunteers, and any other parties who are involved in the District's financial transactions shall act with integrity and diligence in duties involving the District's fiscal resources.

Note: See the following policies and/or administrative regulations regarding conflicts of interest, ethics, and financial oversight:

- Code of ethics:
for Board members—BBF
for employees—DH

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FINANCIAL ETHICS

CAA
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- Financial conflicts of interest:
for public officials—BBFA
for all employees—DBD
for vendors—CHE
- Compliance with state and federal grant and award requirements: CB, CBB
- Financial conflicts and gifts and gratuities regarding federal funds: CB, CBB
- Systems for monitoring the District's investment program: CDA
- Budget planning and evaluation: CE
- Compliance with accounting regulations: CFC
- Activity fund management: CFD
- Purchasing guidelines: CH
- Criminal history record information for employees: DBAA, DC
- Disciplinary action for fraud by employees: DCD, DCE, and DF series

Fraud and Financial Impropriety

The District prohibits fraud and financial impropriety, as defined below, in the actions of its Trustees, employees, vendors, contractors, agents, consultants, volunteers, and others seeking or maintaining a business relationship with the District.

Definition

Fraud and financial impropriety shall include but not be limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the District.
2. Forgery or unauthorized alteration of a check, vendor invoices, bank draft, or any other financial document.
3. Misappropriation of funds, securities, supplies, or other District assets, including employee time.
4. Impropriety in the handling of money or reporting of District financial transactions.
5. Profiting as a result of insider knowledge of District information or activities.
6. Unauthorized disclosure of confidential or proprietary information to outside parties.

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7. Unauthorized disclosure of investment activities engaged in or contemplated by the District.
8. Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the District, except as otherwise permitted by law or District policy. [See CB, DBD]
9. Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.
10. Failure to provide financial records required by federal, state, or local entities.
11. Failure to disclose conflicts of interest as required by law or District policy.
12. Any other dishonest act regarding the finances of the District.
13. Failure to comply with requirements imposed by law, the awarding agency, or a pass-through entity for state and federal awards.

**Financial
Controls and
Oversight**

Each employee who supervises or prepares District financial reports or transactions shall set an example of honest and ethical behavior and shall actively monitor his or her area of responsibility for fraud and financial impropriety.

Fraud Prevention

The Superintendent or designee shall maintain a system of internal controls to deter and monitor for fraud or financial impropriety in the District.

Reports

Any person who suspects fraud or financial impropriety in the District shall report the suspicions immediately to any supervisor, the Superintendent or designee, the Board President, or local law enforcement.

Reports of suspected fraud or financial impropriety shall be treated as confidential to the extent permitted by law. Limited disclosure may be necessary to complete a full investigation or to comply with law. All employees involved in an investigation shall be advised to keep information about the investigation confidential.

*Protection from
Retaliation*

Neither the Board nor any District employee shall unlawfully retaliate against a person who in good faith reports perceived fraud or financial impropriety. [See DG]

**Fraud
Investigations**

In coordination with legal counsel and other internal or external departments or agencies, as appropriate, the Superintendent, Board President, or a designee shall promptly investigate reports of potential fraud or financial impropriety.

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Response

If an investigation substantiates a report of fraud or financial impropriety, the Superintendent or designee shall promptly inform the Board of the report, the investigation, and any responsive action taken or recommended by the administration.

If an employee is found to have committed fraud or financial impropriety, the Superintendent or designee shall take or recommend appropriate disciplinary action, which may include termination of employment. If a contractor or vendor is found to have committed fraud or financial impropriety, the District shall take appropriate action, which may include cancellation of the District's relationship with the contractor or vendor.

When circumstances warrant, the Board, Superintendent, or designee may refer matters to appropriate law enforcement or regulatory authorities. In cases involving monetary loss to the District, the District may seek to recover lost or misappropriated funds.

The final disposition of the matter and any decision to file a criminal complaint or to refer the matter to the appropriate law enforcement or regulatory agency for independent investigation shall be made in consultation with legal counsel.

Federal Awards
Disclosure

The District shall disclose, in a timely manner in writing to the federal awarding agency or pass-through entity, all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting a federal grant award. [See CBB]

Analysis of Fraud

After any investigation substantiates a report of fraud or financial impropriety, the Superintendent or designee shall analyze conditions or factors that may have contributed to the fraudulent or improper activity. The Superintendent or designee shall ensure that appropriate administrative procedures are developed and implemented to prevent future misconduct. These measures shall be presented to the Board for review.