

3A1C Each of the Colleges' will establish unrestricted reserves for obligations and contingencies.

3A1D Budget Management - The budget shall be managed in accordance with Title 5 and the California Community Colleges Budget and Accounting Manual. Budget revisions shall be made only in accordance with these policies and as provided by law.

Revenues accruing to the District or Colleges in excess of amounts budgeted shall be added to the District or Colleges reserve for contingencies. They are available for appropriation only upon approval of the Board that sets forth the need according to major budget classifications in accordance with applicable law.

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

These expenditures transfers will be presented to the Board for approval in February and July of each year.

3A2 Fiscal Management

The Chancellor or designee(s) shall establish procedures to assure that the District's fiscal management is in accordance with the principles contained in Title 5 Section 58311, including:

- Adequate internal controls exist.
- Fiscal objectives, procedures, and constraints are communicated to the Board and employees.
- Adjustments to the budget are made in a timely manner, when necessary.
- The management information system provides timely, accurate, and reliable fiscal information.
- Responsibility and accountability for fiscal management are clearly delineated.
- The books and records of the District shall be maintained pursuant to the California Community Colleges Budget and Accounting Manual.
- As required by law, the Board shall be presented with a quarterly report showing the financial and budgetary conditions of the District.
- As required by the Budget and Accounting Manual, expenditures shall be recognized in the accounting period in which the liability is incurred, and shall be limited to the amount budgeted for each major classification of accounts and to the total amount of the budget for each fund.

3A2A Income

- 3A2A1 All money received by the District, regardless of the source, will be deposited according to Education Code and County requirements. (Education Code Sections 41001-41002)
- 3A2A2 The Chief Financial Officer will establish a procedure for clearly identifying all sources of income. Such delineation with amounts received will be shown on the budget and all income financial reports.
- 3A2A3 All money received by and/or collected by any member College or its auxiliary organizations for any purpose whatsoever must be deposited with the College's Business Services Office.
- 3A2A4 All income received for activities and events will be deposited in the same funding sources as the expenses for such activities and events.
- 3A2A5 The administration is authorized to prepare and submit federal, state, local governmental and/or local private foundation grant applications that further the Kern Community College District's strategic mission. (See [Procedure 3A2E and Appendices 3A2E \(1 & 2\)](#) of this Manual for Grant Preparation and Submission Procedures and Guidelines)
- 3A2A6 Gifts – The Board shall consider all gifts, donations and bequests made to the District. The Board reserves the right to refuse to accept any gift which does not contribute toward the goals of the District, or the ownership of which would have the potential to deplete resources of the District.

The District shall assume no responsibility for appraising the value of gifts made to the District.

Acceptance of a gift shall not be considered endorsement by the District of a product enterprise or entity.

In no event shall the District accept a donation from any donor who engages in practices or policies which discriminate against any person on the basis of nationality, religion, age, gender, gender identity, gender expression, race or ethnicity, medical condition, genetic information, ancestry, sexual orientation, marital status, or physical or mental disability; or when the stated purposes of the donation are to facilitate such discrimination in providing educational opportunity.

3A3 Expenditures

3A3A The approved budget is the District-wide plan for expenditures during the fiscal year.

3A3B The college Chief Business Officers will ascertain that all goods, services, and leases are obtained at the lowest possible competitive prices taking into consideration desired quality and services. This will entail the consideration of all qualified vendors. Standardization of equipment may be required for efficient maintainability and reliability.

3A4 Purchasing

The Board delegates to Chancellor or CFO the authority to approve purchase orders and contracts necessary for the efficient operation of the District. No such purchase shall exceed the amounts specified by Public Contract Code Section 20641 as amended from time to time.

3A4A The Board delegates to the Chancellor or CFO the authority to enter into contracts on behalf of the District and to administrative procedures for contract awards and management, subject to the following:

3A4B Contracts are not enforceable obligations until they are approved or ratified by the Board.

3A4C Contracts for work to be done, services to be performed or for goods, equipment or supplies to be furnished or sold to the District that exceed the amounts specified in Public Contract Code Section 20651 shall require prior approval by the Board.

3A4D When bids are required according to Public Contract Code Section 20651, the Board shall award each such contract to the responsible bidder who meets the specifications published by the District and who shall give such security as the Board requires, or reject all bids.

3A4E If the Chancellor or designee concludes that the best interests of the District will be served by pre-qualification of bidders in accordance with Public Contract Code Section 20651.5, pre-qualification may be conducted in accordance with procedures that provide for a uniform system of rating on the basis of a questionnaire and financial statements.

3A4F If the best interests of the District will be served by a contract, lease, requisition or purchase order through any other public corporation or agency in accordance with Public Contract Code Section 20652, the Chancellor or designee is authorized to proceed with a contract.

3A4G Purchases, services, or leases under published notice calling for bids shall be awarded by the Board. Other transactions shall be submitted for Board ratification through approval of the warrant list.

3A4H To accommodate emergency purchases, a revolving cash fund is provided. This fund will be maintained by College and District Accounting Managers or Chief Financial Officer and will be subject to normal audit procedures.

3A4I The Chief Financial Officer shall approve all purchase orders which are prepared within the line-staff organization of the College, or District operations including reasonable expenditures of District funds to;

(1) purchase food and beverages as refreshments for attendees at District sponsored events which further the legitimate purposes of the District,

(2) purchase commemorative awards and gifts in recognition of service to the District by non-employees when the purpose is to promote services to the District; and

(3) purchase awards for students, excluding gift cards. Gift cards are considered to be the equivalent of cash and therefore are not allowed to be used as awards or payments for goods or services.

3A4J Materials may not be purchased nor District-wide obligations be incurred without an approved purchase order. The District reserves the right to refuse payment of any invoices covering materials not listed on a District purchase order. Such invoices then become the personal obligation of the requisitioner. Goods must be ordered exactly as the items appear on the order unless an item is to be cancelled, in which case Business Services should be immediately notified. The requisitioner is responsible for the exact order, certification, and receipts of goods. Shipping and receiving or designated departments should electronically approve receipt of goods. This will certify that the invoice covering the order is ready for payment by Business Services. Request for Purchase Request forms and related procedures are included in [Procedure 3A4G](#) of this Manual.

3A4K All postage stamps and envelopes shall be used for official College business only. Such materials shall be under the supervision of the College administration.

3A4L Bids and Contracts. [See [Procedure 3A4 \(a-b\)](#) of this Manual for the procedures for bids and contracts and the Independent Contract or Checklist]

3A5 Use of Credit Cards Issued by the Kern Community College District

3A5A CAL-Cards

- 3A5A1 CAL-Cards will only be issued to District and College Educational Administrators and Classified Managers if their job duties require the regular use of a credit card. CAL-Cards will be issued to non-managers only in cases where there is a compelling business reason and issuance is approved by the District Chief Financial Officer and College President or District Chancellor.
- 3A5A2 CAL-Card applications will be completed prior to issuance. [See [Appendix 3A5G\(b\), 3A5G\(c\)](#)] Transactions will be limited to, supplies, or equipment.
- 3A5A3 Bank of America Cards
 - 3A5A3A Will only be checked out to District and College staff authorized to initiate transactions by the District Chief Financial Officer. Will be administered by Departments designated by the College Administrative Directors or District Chief Financial Officer.

3A6 Gas Credit Cards

- 3A6A Individual gas cards will be assigned to employees assigned a District vehicle as part of their employment contract.
- 3A6B Individual pool vehicles will be assigned specific cards and checked out when vehicles are approved for specific District or College use.

3A7 Audits

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

3A8 Investments

- 3A8A Excess funds of the District shall be invested by the Chancellor or designee and overseen by Board Finance and Audit Committee.
- 3A8B All funds will be held in the name of the Kern Community College District and will be invested in accordance with California Government Code Section 53600 et seq. Permissible investments include the following:
- 3A8C Investments will be selected based on the criteria which is prioritized as follows:
 - Safety - The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The

primary objective is to protect, preserve and maintain intact amounts invested under this policy.

- Liquidity - Liquidity refers to the ability to dispose of investments at any moment in time with a minimal chance of losing some portion of principal or interest. An adequate percentage of the portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet disbursement requirements. No investment shall be for a term greater than five (5) years, unless specifically authorized by the Board of Trustees as provided in Section 53601 of the California Education Code.
- Yield - Yield is the potential dollar earnings an investment can provide

3A8D The Chancellor or designee shall render periodic reports to the Board of Trustees of all outstanding investments and investment transactions for the month including the additional information specified by California Government Code Section 53646.

3A8E Securities purchased from brokers/dealers may be held by the broker/dealer provided that the total principal and interest of all securities held for the account of the Kern Community College District by each broker/dealer does not exceed the amount of the individual account insurance coverage carried by the broker/dealer. In the absence of adequate insurance coverage, securities shall be held in third party safekeeping by the trust department of a designated bank in the name of the Kern Community College District.

3A9 Subsidiary Services

Subsidiary services are those auxiliary operations which are provided to support the instructional function of the Colleges.

3A9A Bookstores

If a qualified vendor is to provide bookstore services: Contracts for outside vendors to operate bookstores shall be awarded by competitive bid, submitted to the Board for approval, and awarded in the best interests of the students. Student organizations shall be encouraged to submit bids and given preference.

3A9A1 Bookstores shall be under the supervision of the College Presidents. Operational responsibilities may be delegated to appropriate officers of the respective Colleges.

3A9A2 No books, materials, or supplies are to be sold directly or indirectly to students by College staff.

3A10 College-Sponsored Events

- 3A10A College-sponsored events are those events which are funded in whole or in part by the College or are associated with the College name by permission of the College President. College-sponsored events, including athletic events, shall be under the supervision of the College Presidents. Operational responsibilities may be delegated to appropriate officers of the respective Colleges.
- 3A10B Extra-curricular activities are those activities which enhance but may not directly relate to the instructional program. Extra-curricular activities determined by the College President or designee to not be a part of the regular College program shall be self-supporting.
- 3A10C Net proceeds generated from College-sponsored events, including College-operated and gate receipts, shall be used to fund the co-curricular programs. Co-curricular programs are those activities which occur outside of the classroom but which support the instructional program. Each College shall adopt procedures for allocating all College-sponsored event net proceeds to its co-curricular programs. The income and expense allocations shall be incorporated into the respective College budgets to be approved and adopted by the Board of Trustees.
- 3A10D Every effort shall be made to make student body or other extra-curricular activities self-supporting.
- 3A10D1 If there is income from gate receipts or other sources sufficient to pay part but not all of the costs of any of the equipment as listed above, the College may make up the deficit. Such requests must be estimated in advance and must be included in the budget. (see Board Policy 3A2C1 for information on recording income and expenses).

3A11 Library

See [Procedure 3A7](#) of this Manual for procedures on the selection of library materials.

- 3A11A The responsibility for the acquisition or withdrawal of library materials rests with the College President or designee. The head librarian at each College has the primary responsibility for the withdrawal of obsolete and/or damaged materials from the library.
- 3A11B Materials shall be disposed of in a manner which may be economically feasible and may be beneficial to groups, institutions, and individuals.

3A12 Auxiliary Organizations

- 3A12A Auxiliary organizations are entities whose purpose is to provide services to the Colleges or District. They may be formed by the Board of Trustees pursuant to the Education Code, California Administrative Code, Title 5, and Board of Trustees-approved implementing regulations and shall require:
- 3A12A1 That a recommendation is submitted to the Board of Trustees by the Chancellor when the organization serve the District; or by the Chancellor on behalf of a College President when the organization will primarily serve a particular College;
 - 3A12A2 Prior to the recognition of an Auxiliary Organization, a public hearing on the recommendation will be held at a time, place, and in the manner determined by the Board of Trustees;
 - 3A12A3 The approval of the establishment of the Auxiliary Organization by Board of Trustees. Approval by the Board of Trustees shall include a designation of the recognized services, programs, and functions and an identification of the number and category or categories of members of the Board of Directors of the Auxiliary Organization; and
 - 3A12A4 The approval of a written agreement between the District and the auxiliary organization under which one (1) or more of the services, programs, or functions are to be performed.
- 3A12B Each Auxiliary Organization may occupy, operate and use District facilities and property at its respective College site separately or jointly with the District.
- 3A12C The Auxiliary Organizations shall use the facilities and property only for those services and functions which are consistent with the policies, rules, and regulations, which have been or may be adopted by the Board of Trustees of the Kern Community College District.
- 3A12D The right to use any of the District facilities or equipment shall cease upon written notice by the District Chancellor that the facilities are needed for the exclusive use of the District.
- 3A12E An independent certified public accounting firm will be retained and approved by District Chief Financial Officer to audit the Auxiliary Organizations. The costs of the additional services will be paid by the Auxiliary Organizations.

- 3A12F The Auxiliary Organizations shall be included in the District's insurance policies for all regular functions. When special events are sponsored by an Auxiliary Organization, separate insurance coverage may be required by the District.
- 3A12G The Auxiliary Organizations shall not enter into any transaction concerning real property without the prior approval of the Board of Trustees.
- 3A12H The Auxiliary Organizations shall not permit anyone else to use the District facilities or any part thereof without written permission of the Board of Trustees or designee without written approval.

3A13 Insurance

- 3A13A The Chancellor or designee(s) shall be responsible to secure insurance for the District as required by law, which shall include but is not limited to the liabilities describing Education Code Section as follows:

Liability for damages for death, injury to person, or damage or loss of property; Personal liability of members of the Board and the officers and employees of the District for damages for death, injury to a person, or damage or loss of property caused by the negligent act or omission of the member, officer or employee when acting within the scope of his or her office or employment. The Chancellor designee may authorize coverage for persons who perform volunteer services for the District. Worker's compensation insurance.

Insurance may also include fire insurance and insurance against other perils. The District may join in a Joint Powers Agreement pursuant to Education Code Section 81603 for the purposes of this policy.

3A14 Fiscal Accountability

- 3A14A The Chancellor, Chief Financial Officer, and Internal Auditor are delegated the authority to implement the procedures required to properly administer technical duties relative to fiscal responsibility formerly performed by the County Superintendent. Procedures for implementing this policy are detailed in [Procedure 3A14A](#) of this Manual.

3A15 Claims Against the Kern Community College District *(revised 02/14)*

- 3A15A Any claims against the District for money or damages, which are not governed by any other statutes or regulations expressly relating thereto, shall be presented and acted upon in accordance with Title

Bids and Contracts

Limits

Bids or quotations shall be secured as may be necessary to obtain the lowest possible prices as follows:

1. Purchase of goods or services up to the limits set out in the Public Contracts Code will require documented quotes.
2. Purchase of goods or services in excess of the limits set out in the Public Contracts Code will require formal advertised bids.
3. Construction services shall be limited to the bid limits outlined in the Cost Accounting Policies Manual of the California Uniform Public Construction Cost Accounting Mission.

Contracts involving expenditures that require competitive bidding require approval by the Board of Trustees prior to award.

Bid Specifications

Bid specifications shall include a definite, complete statement of what is required and, insofar as practical, shall include pertinent details of size, composition, construction, and/or texture of what is specified, and minimum standards of efficiency, durability, and/or utility required of what is specified.

Notice Calling for Formal Advertised Bids

The District shall publish at least once a week for two (2) weeks in a newspaper of general circulation circulated within the District, or if there is no such paper, then in some newspaper of general circulation, circulated in the county, and may post on Kern Community College District website or through an electronic portal, a notice calling for bids or proposals, stating the materials or supplies to be furnished and the time and place when bids will be opened. The Kern Community College District may accept a bid that was submitted either electronically or on paper.