

AGENDA
Board Audit Committee
9:00 AM
October 9, 2010
Superintendent's Conference Room
East Side Union High School District - Education Center
830 North Capitol Avenue
San Jose, CA 95133-1398

In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications or accommodations, including auxiliary aids or services, in order to participate in the public meeting of the Audit Committee, please contact the office of the District Superintendent at (408) 347-5011. Notification 72 hours prior to the Regular Meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with this meeting in appropriate alternative formats for persons with a disability.

1. **Call to Order/Roll Call**

2. **Introductions**

3. **Adopt Agenda**

4. **Special Order of Business**

Individuals may be permitted to present an item out of order on the agenda to accommodate their schedules.

5. **Public Comments**

Members of the public may address the Audit Committee on any subject not on the agenda; however, provisions of the Brown Act (Government Code 54954.2(a) and .3) preclude any action. As a unagendized item, no response is required from the Audit Committee or district staff and no action can be taken; however, the Board may instruct the Chair to agendize the item for a future meeting.

6. **Approval of Minutes**

Action: Minutes from the June 19, 2010, meeting will be presented for approval.

7. **Discussion/Action: Follow-up of the 2008/09 East Side Union High School District Audit Findings: ASB cash collections and disbursements**

Ahmad Gharaibeh, External Auditor will update the Committee on his follow-up to ASB cash collections and disbursements issues identified in the 2008/09 external audit.

8. **Discussion/Action: Proposed scope of 2009/10 East Side Union High School District Audit**

Ahmad Gharaibeh, External Auditor, will report on the status of the 2009/10 external audit.

9. **Discussion/Action: FCMAT Report: Update the status of all actions taken in response to the FCMAT Report recommendations**

Dan Moser, Interim Superintendent, will review all actions taken by the Board and the Administration in response to the recommendations included in the FCMAT Report.

10. **Discussion/Action: FCMAT Report: Contracted Services, FCMAT recommendation #6 to the Board: Restore the internal audit function, including funding for an internal auditor position, and operate this function according to industry standards. Issue referred to the Audit Committee for advice per Board action on February 9, 2010.**

Dan Moser, Interim Superintendent, and Frank Biehl, Audit Committee Chair, will update the Committee on the actions taken by the administration and the Board since our last meeting.

11. **Discussion/Action: FCMAT Report: Bond Funds – Contracted Services, FCMAT recommendation #2 to the District: Consider a review of all invoices charged to Measure G and Measure E funds to determine that project costs were properly allocated to each Bond Program. Issue referred to Audit Committee for advice per Board action on February 9, 2010.**
Dan Moser, Interim Superintendent, will update the Committee on the actions taken by the administration and the Board since our last meeting.
12. **Discussion/Action: E-RATE Reimbursement for 2008**
Dan Moser, Interim Superintendent, will brief the Committee on the current status of the E-RATE reimbursement.
13. **Discussion/Action: Establish Next Meeting Date**
14. **Superintendent Communications/Comments**
 - Jerry Kurr, Associate Superintendent of Business Services and Administration
 - Dan Moser, Interim Superintendent
15. **Audit Committee Member Comments**
Individual Audit Committee members may report on programs, conferences, meetings attended and/or items of interest to the public. An Audit Committee member may wish to express a concern or observation about a topic not appearing on the agenda, or request items to be scheduled on a future agenda.
16. **Adjournment**

Minutes of Meeting

Unapproved

Board Audit Committee

June 19, 2010

9:00 a.m.

East Side Union High School District

Education Center

Superintendent's Conference Room

830 N. Capitol Avenue San Jose, CA 95133-1398

1. Call to Order /Roll Call

Chair Biehl called the meeting to order at 9:00 a.m. Present were Member Berg, Member Neighbors, Alternate Member Resch. Vice Chair Nguyen arrived at 9:15 a.m. Member Juchau was absent (excused absence). Alternate Member Resch will be participating today as a voting member due to Member Juchau's absence.

Staff members in attendance were:

- *Dan Moser*
- *Jerry Kurr*
- *Alan Garofalo*
- *Mary Guillen*
- *Karen Poon*

Community Members in attendance were:

- *Jon Reinke, CBOC Measure G and Measure E Chairperson*
- *Bob Nuñez, Community Member*
- *Bill Masching, Community Member*

2. Introduction

Persons present at the meeting introduced themselves.

3. Adopt Agenda

Motion by Member Neighbors, second by Member Berg to adopt the agenda as presented with no changes.

Vote: 4/0, Vice Chair Nguyen absent

4. **Special Order of Business**

Individuals may be permitted to present an item out of order on the agenda to accommodate their schedules.

There was no change to the order of items on the agenda.

5. **Public Comments**

There were no public comments.

6. **Approval of Minutes**

Motion by Member Berg, second by Member Neighbors to approve the minutes of April 22, 2010.

Vote: 4/0, Vice Chair Nguyen absent

7. **Information Item: Brown Act: Closed Session Rules**

Dan Moser, Interim Superintendent, will report on his inquiry to the District's Counsel as to how Closed Session rules apply to the Audit Committee.

Chair Biehl shared with the Committee that, per his discussion with District Counsel, he (Counsel) is not aware of any opportunity that allows the Audit Committee to meet in Closed Session. Chair Biehl specifically asked about the reviewing of resumes for the Internal Auditor position. Counsel indicated that the Audit Committee is not a hiring body – only an advisory body. The Committee cannot meet in Closed Session to consider that item.

8. **Discussion/Action: Follow-Up of the 2008/09 East Side Union High School District Audit Findings: ASB Cash Collections and Disbursement**

Ahmad Gharaibeh, External Auditor, will update the Committee on his follow-up to ASB cash collections and disbursements issues identified in the 2009/09 external audit.

With regard to the Piedmont Hills audit, they were unable to perform an audit as planned due to graduation week and everyone was busy at the site. The second interim is will occur in July or August.

Chair Biehl will leave this item as an open discussion item for update by Mr. Gharaibeh at the next meeting

9. Discussion/Action: Proposed Scope of 2009/10 East Side Union High School District Audit

Ahmad Gharaibeh, External Auditor, will report on the status of the 2009/10 external audit.

Mr. Gharaibeh indicated that this year the scope of the audit is a little more intense on the federal side as a result of the stimulus money. One program that was tested because it received a significant amount of ARRA funds was Special Education. When the student that were reported to SELPA and the Feds was tested, they noticed that there were paper trail issues in terms of the eligibility of the students that was reported to the Feds.

An IEP evaluation is required in order to determine that a student is eligible to receive the service. When the student list was reviewed and traced back to an evaluation form, there were many IEP evaluation forms that were missing. They checked attendance records and confirmed that students are receiving special education services, but from an eligibility perspective, it was difficult for the audit to determine the eligibility due to the missing forms.

The sampling of 50, showed that at least 40% of the IEP evaluation forms were missing. This will go as a finding on the audit report, which will later be reported on the www.recovery.gov website and will be open to the public and also reported to the Feds. There may be some implications where the Feds might come back and ask for the forms to be completed or they may ask why the forms were not completed.

We may be subject to sanctions, but what sanctions we do not know at this time. At a minimum, the District could be asked for a corrective action.

Member Berg shared with the Committee that the process for IEP reported was converted from hand written to computer generated data. The software was very complex, did not allow for changes to be made once the information was typed, and was very time consuming. The problems with the software have not been resolved and are still being worked on for a remedy with SELPA.

Mr. Gharaibeh indicated that the requirement to update IEPs is on an annual basis and they do not know if that has been done as a result of the missing paper trail. Mr. Gharaibeh will forward a copy of the list to Mr. Moser for his review.

The second item presented by Mr. Gharaibeh is paying interest on unused funds. Guidelines came out last year stating that many California Districts were not paying interest on Federal funds and there was some confusion as to how interest was to be calculated. Clarification came out in December/January and it is time to pay the interest. The amount has been calculated, but the check has not been sent out to the State of California as of the time of the second interim. The District needs to follow up on this before they issue their audit report and issue payment so that it does not show up as an audit finding. The report will be finalized in November/December.

Director Poon indicated that they have set the money aside, but have not sent the check. She also indicated that the first two quarters have been paid.

Third item presented for correction before the audit findings report is issued is the matter of checks and the way they are processed are not reconciled against invoices.

Associate Superintendent Kurr indicated that the Business Office can come up with a sampling process. Checking each check is not possible due to the shortage of staff support.

Mr. Gharaibeh indicated that the last item for discussion was brought up by the District is cash collections. The most significant revenue for sites when they collect cash is for lease of facilities. The money collected is to be sent to the District Office and is not to be kept at the sites. A Principal indicated that there is between \$40,000 and \$80,000 in a cash collections account located at their school site. The Principal was informed that the money is to be sent back to the District and the Principal agreed to send the money, but that the money be restricted to that particular school site.

Associate Superintendent asked if every site has been checked on this particular type of collections.

Mr. Gharaibeh indicated that not all sites have been checked.

Associate Superintendent Garofalo suggested that all sites be checked.

Associate Superintendent Kurr stated that Director Poon has started developing regular meetings with Bank Clerks and Activities Directors to try to standardize the process for cash collections/lease of facilities.

Chair Biehl would like to see at the next meeting Board policies related to use of facilities, including Administration Regulations that relate to use of facilities, for review by the Audit Committee and, thereafter, recommended changes to the Board of Trustees.

Member Berg discussed the schools having their own checking account. He suggested that the District look into this process – site checking accounts.

Member Neighbors suggested a preauthorization be issued by the District before site facilities are rented. This will provide the District with knowledge of the incoming monies or in-kind service and to look for it.

Chair Biehl indicated that another way to monitor these funds would be centralizing the ASB accounts at the District.

Mr. Gharaibeh indicated that the main thing is that the Board adopt a policy that states the Board policy must be complied with or there will be ramifications.

10. Discussion/Action: FCMAT Report: Update the Status of All Actions Taken in Response to the FCMAT Report Recommendations

Dan Moser, Interim Superintendent, will review all actions taken by the Board and the Administration in response to the recommendations included in the FCMAT Report.

Interim Superintendent Moser shared with the Committee a report listing the District's response to the FCMAT's audit findings. The document has also been shared with the Santa Clara County Office of Education. He will be meeting with the County again in the summer.

Interim Superintendent Moser met with Donna Bertrand, Contracts Administration Coordinator, to review/discuss each of the items on the list.

Each item on the list was discussed with the Committee. A copy of the report is attached to the minutes.

11. Discussion/Action: FCMAT Report: Contracted Services, FCMAT Recommendation #6 to the Board: Restore the Internal Audit Function, including Funding for an Internal Auditor Position, and Operate this Function according to Industry Standards. Issues referred to the Audit Committee for Advice per Board action on February 9, 2010

Dan Moser, Interim Superintendent, will update the Committee on the actions taken by the administration and the Board since our last meeting.

Interim Superintendent Moser reported that the job description was approved by the Board and was posted. A pool of candidates is being developed.

Chair Biehl suggested a there be a non-majority of the Committee, not members of the Board of Trustees, two persons, serve on a review panel organized by the Human Resources Office to review the applications and make recommendations for interviews.

Vice Chair Nguyen agreed that representatives from the Audit Committee should be involved in the screening process.

Chair Biehl will go back to Associate Superintendent Giammona to let her know there are three potential Audit Committee members and a potential alternate Committee member who could be available to serve on the screening committee. She will draw from the four names only two persons to serve on the screening panel in August. The screened-in candidates would then be forwarded to the Board at their August Board Meeting.

No motion on this item. Chair Biehl will report the outcome on the process established for the appointment of two Audit Committee representatives on the screening panel.

12. Discussion/Action: FCMAT Report: Bond Funds – Contracted Services, FCMAT Recommendation #2 to the District: Consider a Review of All Invoices charged to Measure G and Measure E Funds to Determine that Project Costs were Properly Allocated to Each Bond Program. Issue referred to Audit Committee for Advice per Board action on February 9, 2010.

Dan Moser, Interim Superintendent, will update the Committee on the action taken by the administration and the Board since our last meeting.

Interim Superintendent Moser asked the Committee to go to page 3 under “Bond Funds” in their copy of the FCMAT report (item #10 on agenda) item number 2. He recommended the implementation of the item as stated. In reviewing the information, in general, Interim Superintendent Moser feels that they should all be reviewed. Depending on the urgency, we can wait until the Internal Auditor begins or an alternative would be to contract out. He will check on what funds will be used to pay for the review and report back to the Committee.

Mr. Reinke, CBOC Measure G and Measure E Chairperson, shared with the Committee that this item is also on the CBOC agenda for discussion/action and he believes that they will concur with the motion of reviewing all the invoices.

Motion by Member Berg, second by Member Neighbors, to support administration recommendation to review all invoices charged to Measure G and Measure E funds to determine that project costs were properly allocated to each Bond Program.

Vote: 5/0

13. Discussion/Action: Follow-Up, Warrants Report Formatting

Jerry Kurr, Associate Superintendent of Administration and Business Services, will report on the Board’s response to the new Warrants Report formatting.

Chair Biehl indicated that the changes in the formatting were well received by the Board. The only request was that the Board wanted some type of key that explains each object code. Chair Biehl asked for some type of key be used in the report to help explain the codes. This will also be of help to the public when they view the report. It was also suggested that this item be moved to the consent calendar of the Board meeting agendas.

14. Discussion/Action: Travel Reimbursement, Advances and Credit Card Documentation Policies

Dan Moser, Interim Superintendent, will provide the Committee with updated copies of the Administrative Regulations that govern employee and Board Member expense reimbursement, including a revision that makes it clear that reimbursements will not occur without appropriate receipts.

A recommendation was made at the last meeting with policy that reimbursements will not be issued if receipts are not included in the reimbursement from.

Associate Superintendent Kurr referred the committee to Administrative Regulation #3350 – item highlighted in yellow, which is located in their packets. It states that reimbursements will not be made if original receipts are not submitted. No motion needed on this item; item is approved by the Committee and Cabinet. A copy of Administrative Regulation #3350 is attached to the minutes.

15. Discussion/Action: E-RATE Reimbursement for 2008

Interim Superintendent Dan Moser will brief the Committee on the current status of the E-RATE reimbursement.

Interim Superintendent Moser indicated that this is an ongoing item. He shared with the Committee that Director Dennis Barbata received word that the District's E-RATE submission has been received. Interim Superintendent Moser also mentioned that we are receiving reimbursement for 2009.

This item will be kept on the agenda as an ongoing discussion item.

16. Discussion/Action: Establish Next Meeting Date

The Audit Committee will meet in September and November. Chair Biehl will poll the Committee to determine availability for a Saturday meeting in September and November, which shall occur prior to the Board meetings scheduled for these months.

17. Superintendent Communications/Comments

- Associate Superintendent of Business Services and Administration, Jerry Kurr
Nothing to report.
- Interim Superintendent, Dan Moser
Nothing to report.

18. Audit Committee Member Comments

Individual Audit Committee members may report on programs, conferences, meetings attended and/or items of interest to the public. An Audit Committee member may wish to express a concern or observation about a topic not appearing on the agenda or request items to be scheduled on a future agenda.

19. Adjournment

Motion by Member Neighbors, second by Member Berg to adjourn the meeting at 10:59 a.m. Meeting was adjourned by Chair Biehl.

Respectfully submitted,

Frank Biehl, Board Audit Committee Chair

EAST SIDE UNION HIGH SCHOOL DISTRICT
Response to FCMAT's ESUHSD Extraordinary Audit

CONTRACTED SERVICES:

	FCMAT Recommendation to ESUHSD BOARD	Recommended Response	Follow-Up #1	Follow-Up #2 June 18, 2010	Follow-Up #3
1	Amend Administrative Regulation 3323 to require informal bids for all service contracts of more than \$5,000 with no maximum limit.	Recommended amendment to be implemented immediately by administrative directive from Superintendent's Office; provided that Staff will be directed to assess overall impact to District operations from such administrative changes. Administration will report such findings and any additional recommendations to the Board within the next 60-90 days. Administrative Directive issued on March 1, 2010. Copy attached hereto.	AR 3323 Amended Directive March 1, 2010	At the district level: The P/D Department allowed to deviate from procedure to complete commitments. In the last 2 months the department has been able to comply with the procedure.	
2	Amend Administrative Regulation 3323 to clarify that informal bids are required when consulting service contracts are otherwise exempt from bidding per Government Code 56030.	Recommended amendment to be implemented immediately by administrative directive from Superintendent's Office; provided that Staff will be directed to assess overall impact to District operations from such administrative changes. Administration will report such findings and any additional recommendations to the Board within the next 60-90 days. Administrative Directive issued on March 1, 2010. Copy attached hereto.	AR 3323 Amended Directive March 1, 2010	A contract boiler plate is being developed for bids less than \$50,000 that is more reflective of the district. Mandatory training will be provided once the new model is available.	
3	Enforce Administrative Regulation 3323 regarding utilization of informal bids.	Recommended amendment to be implemented immediately by administrative directive from Superintendent's Office. Administrative Directive issued on March 1, 2010. Copy attached hereto.	AR 3323 Amended Directive March 1, 2010	Bids of "goods" greater than \$78,400 must be formal. For bids between \$5,000 and \$78,4000 at least 3 quotes are required.	

4	Include specific details on contract approvals in minutes of board meetings.	Recommendation to be implemented immediately	Practice implemented with March Board Minutes	Being complied with.	
5	Require evidence that conflict-of-interest statement has been submitted for every consultant contract being considered for approval as required by Board Policy 3600.	Administration recommends that the Board implement this recommendation immediately . Consistent with that approach, Administration further recommends that Board Policy 3600 be amended to provide that all contracts for consultant services submitted to the Board for approval include a statement by Administration/staff that the required conflict of interest statement has been submitted by the proposed consultant.	Practice Implemented BP 3600	Conflict of Interest Statement form being developed by District Counsel.	
6	Restore the internal audit function, including funding for an internal auditor position, and operate this function according to industry standards.	Administration recommends that the Board authorize, fund and approve the creation of a District "Disbursing Officer" position whose responsibilities shall include implementation and enforcement of internal financial controls and verification that district payments are made in accordance with State and Federal law and District Policies and Administration Regulations. Position is to be funded by general fund and measures G and E Bond funds as appropriate. Administration further recommends that the Board authorize and direct administration to post and coordinate hiring a qualified individual for the Disbursing Officer position in consultation with the District Audit Committee per the Audit Committee Charter. A copy of the draft proposed job description for the "Disbursing Officer" is attached hereto.	Board recommendation: The "internal auditor" functions to be restored Job description shared w/SCCOE Job description shared w/Audit Committee Final job description approved by the Board at the April 15, 2010 Meeting	Pool of qualified applicants being developed	

7	Establish board policy providing guidance to the staff in circumstances where contracted services can be billed to the district by consultants and other service providers.	Administration recommends that the Board implement this recommendation immediately . Administration will prepare the requested board policy for Board review and first reading at the March 18, 2010, Regular Meeting.	BP 3600	Implemented	
1	Submit all contract extensions for board approval per policy 3312.	Administration recommends that this recommendation be implemented immediately by administrative directive from the Superintendent's Office to all responsible staff. Administrative Directive issued on March 1, 2010. Copy attached hereto.	AR 3312 Directive March 1, 2010	Implemented – evidence Board memos	
2	Submit purchase orders for all consulting services contracts to the governing board for approval.	Administration recommends that this recommendation be implemented immediately by administrative directive from the Superintendent's Office to all responsible staff. Administrative Directive issued on March 1, 2010. Copy attached hereto.	BP 3600 Directive March 1, 2010	Implemented – evidence Board memos	
3	Submit to the Board for approval all purchase orders adjustments that do not otherwise meet the criteria of board policy 3314.	Administration recommends that this recommendation be implemented immediately by administrative directive from the Superintendent's Office to all responsible staff. Administrative Directive issued on March 1, 2010. Copy attached hereto.	Directive March 1, 2010	Implemented; however, hindering operations Proposing authority to grant adjustments to POs followed by immediate ratification by Board \$ limit of \$25,000	
4	Require all vendors to provide detailed invoices that include specific dates and hours per day of service, detailed by the professional providing the service.	Administration recommends that this recommendation be implemented immediately by administrative directive from the Superintendent's Office to all responsible staff. Administration will develop and implement administrative regulation requiring such detail as a prerequisite to payment. Administrative Directive issued on March 1, 2010. Copy attached hereto.	Directive March 1, 2010	Greater follow-up expected w/Internal Auditor and training for staff Stopping advanced payments and monitored by Contracts Administrator	

5	Refrain from utilizing contract provisions that provide for equal payment installments if they do not require itemized invoices with the same detail included in recommendation number four.	Administration recommends that this recommendation be implemented immediately by administrative directive from the Superintendent's Office to all responsible staff. Administrative Directive issued on March 1, 2010. Copy attached hereto.	Directive March 1, 2010	Implementing – progress being made and providing training	
6	Review the process utilized to hire the consultant whose payments were made under the purchase order of a different consultant and determine whether these services were authorized.	Administration will confer with FCMAT to determine the identity of the subject consultant and within the next 60 days will investigate the facts and circumstances surrounding the subject payments. Administration will report back to the Board on its findings and recommendations.	Under discussion w/SCCOE	Not Allowed and monitored by Contracts Administrator	

BOND FUNDS - CONTRACTED SERVICES:

	FCMAT Recommendation to ESUHSD BOARD	Recommended Response	Follow-Up #1	Follow-Up #2 June 18, 2010	Follow-Up #3
1	Require all vendors provide detailed invoices that include specific dates and hours per day of service, detailed by the person providing the service, with the underlying facility project identified with each charge.	Administration recommends that this recommendation be implemented immediately by administrative directive from the Superintendent's Office to all responsible staff. Administrative Directive issued on March 1, 2010. Copy attached hereto.	Directive March 1, 2010	Review by General Counsel of bidding documents Review of CM Contracts w/ required information for invoices Follow-up training	
2	Consider a review of all invoices charged to Measure G and Measure E funds to determine that project costs were properly allocated to each bond program.	<p>In 2008, the District commissioned a Management Review of the District's Measure G bond program by Total School Solutions ("TSS"). The TSS Review report was issued in June 2008 and presented to the Board in open session. In addition, in compliance with state law, the Measure G and Measure E bond programs are audited annually by outside independent auditors.</p> <p>Given the history of audits and oversight of the District's bond program and the potential cost factors involved, Administration recommends that this item be referred to the District Audit Committee for review and consideration by that Committee in light of the scope of past and on-going audits, and that the Audit Committee prepare a recommendation to be submitted to the Board within the next 60-90 days.</p>	Under discussion w/SCCOE	Consensus to review all invoices	
3	Fund from other sources any inappropriate expenditures identified as a result of the review per recommendation number two.	See immediately preceding recommended response.	Remedy to follow outcome of #2 above	To be include in audit	

SUPERINTENDENT'S VACATION:

	<i>FCMAT Recommendation to ESUHSD BOARD</i>	<i>Recommended Response</i>	<i>Follow-Up #1</i>	<i>Follow-Up #2 June 18, 2010</i>	<i>Follow-Up #3</i>
1	Adopt policy and regulations to require periodic vacations be taken by all staff that accrue this leave, and implement procedures to periodically confirm vacations are taken.	Administration recommends that staff be directed to prepare the referenced policies and regulations for submittal to the Board for a first reading within the next 60 days.	HR following up	Summer 2010	
2	Adopt policy and regulations to develop a clear process for cash payouts of unused vacation. Include in this process a requirement that each payout is to be approved by the governing board in advance of the payout.	Administration recommends that staff be directed to prepare the referenced policies and regulations for submittal to the Board for a first reading within the next 60 days.	HR following up	Summer 2010	
3	Establish board regulations regarding the basis for calculation of administrator daily rates to be utilized for vacation payout calculations.	Administration recommends that staff be directed to prepare the referenced regulations and to be submittal to the Board for review at a Regular Meeting within the next 60 days.	HR following up	Summer 2010	
4	Review all board policy, regulations and contracts for administrators and modify if necessary to establish clear language identifying required annual days of paid service, paid holidays, accrued vacation, sick leave and other leaves for members of management.	Administration to begin review of such items and to report its findings to the Board at a Regular Meeting within the next 60-90 days.	HR following up	Summer 2010	
5	Develop and implement forms to be utilized by the staff to request and process accrued vacation payouts.	Recommended forms to be developed and implemented by Staff. Administration will report its progress to the Board on this matter within the next 60 days.	HR following up	Summer 2010	

BUSINESS AND NONINSTRUCTIONAL OPERATIONS

Board Policy and the California Education Code provide for the payment of actual and necessary business expenses for the district, including business travel. The terms “actual and necessary” should be interpreted for the district to mean the least cost accommodations that are safe and reasonable for the individual and the district. Cost beyond that which is incurred by personal or preferential choice of the individual will be born by the individual and not the district.

SUBJECT: TRAVEL/CONFERENCE EXPENSES (For Travel outside District Boundaries)

TRAVEL: REQUEST

Staff development, conferences and workshops help to keep employees current, knowledgeable and experienced in their vocation while increasing the value of the employee to the District. Prior approval is required for authorization to attend meetings or conferences that relate specifically to the employee’s job responsibilities. Approval will only be granted if the employee’s attendance does not significantly impact the operations of the District. All requests for expenses of such travel must be within budgeted amounts.

Requests shall be directed to the following administrator(s) for approval/disapproval at least 10 working days prior to the trip:

1. Administrator with budgetary responsibility
2. Approval of administrator of State & Federal programs if categorical funds
3. Superintendent/designee

TRAVEL: REIMBURSEMENT (Procedures Governing Travel Expenses and Advances)

1. Types of Travel Claims
 - a. When mileage and parking are the only travel expenses they may be claimed on a Monthly Mileage Form signed by the employee and his/her immediate supervisor.
 - b. All other out of District travel requires the use of Travel/Conference Approval and Expense Claim form.
2. Approval Deadline and Eligibility for Reimbursement
 - a. Travel expenses that are limited to mileage and parking do not require approval in advance.
 - b. The Travel Conference Approval and Reimbursement Claim Form, properly completed, shall be submitted for approval no less than 10 working days before departure.
 - c. Expenses may be reimbursed only if incurred while the employee is on “travel

status”, meaning that the travel has been properly approved pursuant to district policies and regulations. Reimbursement may not be claimed for additional expenses that arise from the coordination of vacation or sick leave with travel on district business.

- d. Reimbursements will not be made if original receipts are not submitted.

3. Reimbursement of Travel Expenses

a. Lodging

- i. In case of conference travel, reimbursable lodging cost shall not exceed the single occupancy rate offered by the headquarter hotel.
- ii. Receipts for lodging expenditures are required. A RPO may be used to request a check for payment of lodging by staff at time of registration. (If a District check is provided for payment at time of registration receipts need to be returned to the District or the individual may have to reimburse the District.)
- iii. Lodging costs are not allowed for conferences that are less than 2 days and held within a 65-mile radius of the East Side Union High School District. Exceptions may be accepted with approval from the Superintendent/designee in situations where it is in the best interest of the District and employee.

b. Per Diem Meals

- i. Reimbursement for meals is allowed when travel precludes eating at home
 1. Meal reimbursement shall be limited to the following maximum daily rates (for 24-hour period). Receipts for meals are not required.
 - Daily \$54.00
 2. If travel time includes portions of a day individual meals will be reimbursed based on the following:
 - Breakfast \$10.00 If at least 3 hours starting at 6:00am
 - Lunch \$12.00 If at least 4 hours starting at 10:00am
 - Dinner \$32.00 If at least 4 hours starting at 4:00pm
 3. If a meal is included as a formal part of the program of a conference or meeting, the actual cost in excess of the conference fee will be reimbursed. If the cost of the meal is fully covered by the conference fee, no reimbursement may be claimed for that meal. Continental breakfasts or rolls, coffee, and juice are not considered full meals.

c. Other Travel Allowances

- i. While traveling on official district business, the following expenses are

also reimbursable at actual cost:

1. Necessary taxicab or airport limousine (receipt required).
BART or bus fares (receipt required)
2. Registration fees (receipt required)
3. Long term airport parking (receipt required)
4. Telephone charges in connection with district business
5. Rental car charges (receipt required) (See d-2)
6. Toll bridge fees
7. Other justifiable expenses may be approved based on review of special circumstances (receipts required)
8. Reasonable tips and gratuity that are customarily provided.

d. Transportation

- i. The most practical mode of transportation shall be used. Generally, this means air travel shall be used when traveling to destinations in southern California and out of State.

1. Common Carrier

Claims for transportation by a scheduled airline will be based on actual cost not to exceed standard coach fares. A copy of the passenger coupon, ticket stub, or other form of receipt must be attached to the Travel/Conference Approval and Reimbursement Claim Form. This expense can be prepaid by Purchase Order to the travel agency.

2. Travel by Private Vehicle

Authorized travel will be reimbursed at IRS per mile rate in place at the time of the travel. The cost of authorized travel will not exceed the cost of air coach fare to the destination.

When it has been established that travel by private vehicle is the most appropriate and practical means of transportation, reimbursement for actual mileage traveled by private vehicle may be approved.

If personal automobile is used while on District business and is involved in an accident, personal liability insurance policy will apply first. The District liability coverage would be used only after the personal insurance limit has been exceeded. The District's insurance does not cover collision or comprehensive coverage on personal automobiles.

The mileage reimbursement paid by the District covers all automobiles operating expenses including, but not limited to, insurance, gas, oil, maintenance, etc.

State law requires that automobile owners meet a minimum financial responsibility. This requirement is met by providing automobile liability insurance or a bond.

3. Rental Vehicles

Reimbursement for automobile rentals will be for actual and necessary costs for an intermediate size or smaller automobile. Reimbursement for automobile rentals will not normally be made unless the request was included on the Travel/Conference Approval and Reimbursement Claim Form.

4. Travel Advances

- a. Travel advances may be requested by furnishing the appropriate information at the time of initial approval for the Travel/Conference approval and Reimbursement Claim Form.
- b. Travel advances will be made upon approval of the administrators authorizing the travel.
- c. Travel advances will be limited to no more than 80% of the anticipated expenses. Advances will only be made in excess of \$50.
- d. When an advance is requested, the properly approved Travel/Conference Approval and Reimbursement Claim must be submitted to the Business Office at least 13 working days before the advance is required.

5. Responsibility of Persons Drawing

- a. Anyone who draws a travel advance will furnish signed receipts and/or a claim form to account for their expenses against the advance.
- b. Within five days an individual returning from a trip for which he/she has drawn an advance will furnish a Travel/Conference Approval and Reimbursement Claim form to the Business Office.
- c. If the travel advance exceeds the actual reimbursable travel expenses, a check for the difference must accompany the Travel/Conference Approval and Reimbursement Claim Form when it is returned to the Business Office. Forms submitted without receipts shall be returned to the immediate supervisor.

6. Promotional Items Received from Official Travel

- a. Transportation for official business shall not be arranged on a carrier solely to obtain points, free tickets or any other amenities or gifts.
- b. Free upgrade to first class, airline mileage of trip accumulation programs, executive club membership and check-cashing privileges that are earned by the officer or employee may be retained and shall not be turned over to the district. Unsolicited promotional materials of nominal intrinsic value (pens, pencils, note pads, calendars, etc.) may be retained by the officer or employee.

7. Non-Reimbursable Items

- a. Alcoholic beverages

- b. Newspapers or other sundries
8. Authority to Override Limits or Restrictions
- a. Except as provided in “b” below, the Superintendent by his/her signature on a memo attached to the request form has the authority to override any of the above limits and restrictions when special circumstances justify such action.
 - b. For travel by the Superintendent and members of the Board the Board president or Board Clerk, as appropriate, shall act for the Superintendent in granting exemptions as set forth in paragraph “a” above.

SUBJECT: EMPLOYEES’ BUSINESS EXPENSES (Within District Boundaries)

1. Mileage & Incidental Driving Expenses
- a. When mileage and parking are the only travel expenses they are to be claimed on a Monthly Mileage Form and certified by the employee and signed by the immediate supervisor. In lieu of filing a Monthly Mileage Form, with Board approval, an employee may receive a monthly stipend as reimbursement for his/her local travel expenses within Santa Clara County.
2. Meals, Refreshments and Incidental Business Expenses
- a. The cost of meals or refreshments for business meetings that are less than three hours in duration involving only District staff will not be reimbursed or considered an expense of the District. This is regardless of the source of funding.
 - b. Meals or refreshments for meetings involving only District staff in excess of three hours in duration that have a pre-established agenda and with prior authorization of the Superintendent or designee may be paid for by the District directly or through reimbursement.
 - c. Meals or refreshment that are a part of a business or community relations meeting that involve members of other organizations, the community or Board members may be considered business expenses and reimbursed by the District if directed or authorized by the individual’s authorizing supervisor or administrator. Reimbursement will be based on the amounts listed under 3.Travel Expenses; b. 2.
 - d. Supplies and services may not be purchased by staff and reimbursed by the District without prior authorization by the Superintendent or designee. In no circumstances may equipment be purchased by staff and reimbursed by the District.