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The overall management of the fiscal affairs of the Ventura County Community College District shall be a responsibility of the Vice Chancellor, Business and Administrative Services, the Chief Business Officer of the District. The district is committed to principles of sound fiscal management to provide responsible stewardship of available resources as outlined in AP 6200 Budget Preparation and AP 6250 Budget Management. The District adheres to commonly accepted auditing and accounting standards as criteria for its fiscal management procedures.

GENERAL ACCOUNTING

A. Functions

The District Business Office, under the direction of the Vice Chancellor, Business and Administrative Services shall provide the following functions:

1. Central accounting functions for all District funds
2. Preparation of payroll checks and reports
3. Processing of payments to vendors for purchases of supplies, equipment and services
4. Disbursement of financial aid
5. Accounting services for sponsored programs (contracts & grants), student financial aid, auxiliary enterprises, and student body funds
6. Maintenance of accounting data on the District's management information system (Banner)
7. Management of cash flow
8. Preparation of the District's financial reports.

B. INTERNAL CONTROLS

Internal controls are systematic measures (such as reviews, checks and balances, methods and procedures) instituted by an organization to (1) conduct its business in an orderly and efficient manner, (2) safeguard its assets and resources, (3) deter and detect errors, fraud, and theft, (4) ensure accuracy and completeness of its accounting data, (5) produce reliable and timely financial and management information, and (6) ensure adherence to its policies and plans.

Internal controls create specific work flows and describe how each transaction should flow; each individual is held accountable for how they process financial transactions. Such a division of duties provides a procedure whereby errors of omission or commission, whether intentional or unintentional will be minimized.

To provide adequate internal controls, it is necessary for certain procedures to be followed at the operating levels to prevent errors from occurring, for e.g.:

- Segregation of duties requires that different individuals be assigned responsibility for different elements of related activities, particularly those involving authorization, custody, or recordkeeping. Having different individuals perform these functions creates a system of checks and balances. The work of an employee is verified by the work of another, each working separately and independently.
- Proper authorization of transactions and activities helps ensure that all District activities adhere to established guidelines. One employee does not have control of a complete financial transaction. Instead, different employees participate at various stages in the transaction so that each will arrive at the same result independently and, without unnecessary duplication of work, verify the accuracy of the work of others.

- Adequate documents and records provide evidence that financial statements are accurate. Controls designed to ensure adequate recordkeeping include the creation of invoices and other documents that are easy to use and sufficiently informative; the use of prenumbered, consecutive documents; and the timely preparation of documents.
- Physical control over assets and records helps protect the District's assets. These control activities may include electronic or mechanical controls (such as a safe employee ID/key cards, facilities/doors, cash registers, fireproof files, and locks) or computer-related controls dealing with access privileges or established backup and recovery procedures.
- Independent checks on performance that is carried out by employees who did not do the work being checked, help ensure the reliability of accounting information and the efficiency of operations. For example, a Bursar verifies the accuracy of a Student Business Office cash drawer at the end of the day, or a District Office employee performs a surprise count of petty cash funds.

CASH DISBURSEMENT

A. Disbursement Procedures

1. Disbursements must be properly authorized and supported by adequate documentation.
2. All disbursements (other than petty cash) shall be made by check. ACH or wire transfer from a duly-authorized district bank account.
3. Checks from the primary accounts are electronically numbered at the time of issuing.
4. All disbursements shall be substantiated by supporting documents including evidence of purchase, receipt, and approval.
5. All supporting documents shall be canceled in such a manner as to preclude their reuse.
6. Bulk check stock shall be adequately controlled and accounted for.
7. There shall be adequate separation of duties to reduce the risk of collusion and fraud.
8. The drawing of a check to "cash" or "bearer" is prohibited.

B. Documentation

Documentation shall include:

1. A purchase order authorizing the commitment of funds in accordance with District policies and procedures or its equivalent.
2. An original vendor invoice for the goods and/or services received. An invoice for personal services must minimally include the specific date/time period that the services were rendered, the total hours provided, and a description of the services delivered.
3. A receiving transaction input electronically through the warehouse in Banner or a receiving report with date and signature of an employee acknowledging receipt of goods or services over \$500.

C. Authorization

All checks must bear a Board-authorized signature.

D. Controls

1. All invoices and/or supporting documents will be marked with Banner-generated invoice number to prevent their reuse.
2. Checks are automatically recorded in the check registers as of the date written.
3. Unused check stock is adequately controlled.
4. Voided checks shall be mutilated or spoiled to prevent reuse.

See [Board Policy BP 6300](#).