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**Kern Community College District  
Board Policy**  
Chapter 6 – Business and Fiscal Affairs

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**BP 6100 DELEGATION OF AUTHORITY, BUSINESS & FISCAL  
AFFAIRS**

References:

Legally Required

Education Code Sections 70902(d), 81655, and 81656

The Board of Trustees delegates to the District Chancellor the authority to supervise the general business procedures of the District to assure the proper administration of property and contracts; the budget, audit and accounting of funds; the acquisition of supplies, equipment and property; and the protection of assets and persons. All transactions shall comply with applicable laws and regulations, and with the California Community Colleges Budget and Accounting Manual.

No contract shall constitute an enforceable obligation against the District until it has been approved or ratified by the Board. (See BP 6340 titled Bids and Contracts)

The District Chancellor shall make appropriate periodic reports to the Board and shall keep the Board fully advised regarding the financial status of the District.

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**BP 6150      DESIGNATION OF AUTHORIZED SIGNATURES**

**References:**

Legally Required

Education Code Sections 85232 and 85233

Authority to sign orders and other transactions on behalf of the Board of Trustees is delegated to the District Chancellor and other officers appointed by the District Chancellor.

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**BP 6200 BUDGET PREPARATION**

**References:**

Legally Required

Education Code Section 70902(b)(5); Title 5 Sections 58300 et seq.;  
WASC/ACCJC Accreditation Standard III.D

Each year, the **District** Chancellor shall present to the **Board of Trustees** a budget, prepared in accordance with Title 5 and the California Community Colleges Budget and Accounting Manual. The schedule for presentation and review of budget proposals shall comply with state law and regulations, and provide adequate time for Board study.

(See **AP 6200** titled **Budget Preparation**)

The budget development shall meet the following criteria:

- The annual budget shall support the District-wide master and educational **plans, and other districtwide operational plans.**
- Budget projections shall address long-term goals and commitments.
- The annual Budget shall not exceed estimated revenues for the Budget year excluding District-wide or College reserves.
- The Budget may include a separate request to use District-wide reserves.
- Assumptions upon which the budget is based are presented to Board for review.
- A schedule is provided to the Board by December of each year that includes dates for presentation of the tentative budget, required public hearing(s), Board study session(s), and approval of the final budget. At the public hearings, interested persons may appear and address the Board regarding the proposed or any item in the proposed budget. Unallocated District-wide unrestricted general fund reserves shall be no less than fifteen percent (15%).

The budgeted unrestricted general fund reserves calculation will be based upon the projected unrestricted expenditures multiplied by fifteen percent (15%). College budgeted reserves will not be considered as part of District-wide reserves. Each of the colleges shall maintain a minimum reserve of three percent (3%). These reserves will be established as unrestricted reserves for obligations and contingencies. The college reserves shall be calculated on the same basis as the District-wide reserves and will be applied to each institution.

**Purpose of Reserves** - The District-wide unrestricted general fund reserves are intended to provide resources for cash flow management, unfunded liabilities, risk mitigation, significant emergencies, and a buffer against future budget reductions. The District may incorporate into the annual budget an appropriate level of reserves to provide resources for these purposes. Unless the District is confronted with catastrophic issues, or the Board authorizes a deviation at no time should District-wide reserves fall below the minimum levels **reflected above**. Reserves in excess of these needs may be used for the following purposes:

- a) Provide resources to maintain mission critical educational programs. Provide resources for the expansion, reduction, or restructuring of College/District programs and services.
- b) Provide capital funds to invest in infrastructure that will lower operational costs, improve efficiencies, improve safety/security, and/or enhance the delivery of educational and/or support services.
- c) Excess reserves to be used as directed by the Board.

*Also see AP 6305 titled Reserves.*

Changes in the assumptions upon which the budget was based shall be reported to the Board in a timely manner.

Budget allocations of funds will be made to the Colleges and District Office and will be reviewed by the Board of Trustees and Chancellor's Cabinet. Generally, the allocations to each College and to the District Office shall be based upon the Board- approved allocation model. The **District** Chancellor shall work with representatives of the College Academic Senates and other District-wide constituent groups represented on the Chancellor's staff in designing the process for development of the District budget.

College budgets are prepared under the supervision of the College President or designee. The College President or designee shall work with the College Academic Senate in designing the processes for development of the College budget.

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

*Also see BP/AP 3250 titled Budget Management, BP/AP 6300 titled Fiscal Management, AP 6305 titled Reserves, AP 6310 titled Accounting, and AP 6315 titled Warrants.*

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**BP 6250 BUDGET MANAGEMENT**

**References:**

Legally required

Title 5 Sections 58307 and 58308

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 of Trustees 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.

**Expenditures**

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

Under the direction of the District Chancellor, the Chief Business Officers at the District and colleges 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.

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**BP 6255 DEBT ISSUANCE AND MANAGEMENT POLICY**

This Debt Management Policy (the “Policy”) provides written guidelines for the issuance of indebtedness by the Kern Community College District (the “District”) in satisfaction of the requirements of S.B. 1029, codified as part of Government Code Section 8855.

**Article I**

**Purpose and Goals**

This Policy provides a framework for debt management and capital planning by the District.

This Policy has been developed to meet the following goals:

- (1) Identifying the purposes for which the debt proceeds may be used.
- (2) Identifying the types of debt that may be issued.
- (3) Describing the relationship of the debt to, and integration with, the District’s capital improvement program.
- (4) Establishing policy goals related to the District’s planning goals and objectives.
- (5) Implementing internal control procedures to ensure that the proceeds of the proposed debt issuance will be directed to the intended use upon completion of the issuance.

**Article II**

**Purposes for Which Debt Proceeds May be Used**

**Section 2.01. Authority and Purposes of the Issuance of Debt**

The laws of the State of California (the “State”) authorize the District to incur debt to make lease payments, contract debt, borrow money, and issue bonds for school improvement projects. The District is authorized to contract debt to acquire, construct, reconstruct, rehabilitate, replace, improve, extend, enlarge, and equip such projects; to refund existing debt; or to provide for cash flow needs.

## **Section 2.02. State Law**

Section 18 of Article XVI of the State Constitution contains the “debt limitation” formula applicable to the District.

There are a number of State laws that govern the issuance of general obligation bonds (“GO Bonds”) by community college districts. Sections 1(b)(2) (Proposition 46) and 1(b)(3) of Article XIII A (Proposition 39) of the State Constitution allow the District to issue GO Bonds. The statutory authority for issuing GO Bonds is contained in Education Code Section 15000 et seq. Additional provisions applicable only to Proposition 39 GO Bonds are contained in Education Code Section 15264 et seq. An alternative procedure for issuing GO Bonds is also available in Government Code Section 53506 et seq.

The statutory authority for issuing Tax and Revenue Anticipation Notes (“TRANS”) is contained in Government Code Section 53850 et seq. Authority for lease financings is found in Education Code Section 17455 et seq. and additional authority is contained in Education Code Sections 17400 et seq., 17430 et seq. and 17450 et seq. The District may also issue Mello-Roos bonds pursuant to Government Code Section 53311 et seq.

## **Section 2.03. Debt Issued to Finance Operating Costs**

The District may deem it necessary to finance cash flow requirements under certain conditions. Such cash flow borrowing must be payable from taxes, income, revenue, cash receipts and other moneys attributable to the fiscal year in which the debt is issued.

General operating costs include, but are not limited to, those items normally funded in the District’s annual operating budget.

The District’s Chancellor, or Chief Financial Officer (“CFO”), will review potential financing methods to determine which method is most prudent for the District. Potential financing sources include tax and revenue anticipation notes, temporary borrowing from the Kern County Treasurer and Tax Collector, and internal temporary inter-fund borrowing.

## **Article III**

### **Types of Debt That May be Issued**

#### **Section 3.01. Types of Debt Authorized to be Issued**

- A. Short-Term: The District may issue fixed-rate and/or variable rate short-term debt, which may include TRANS, when such instruments allow the District to meet its cash flow requirements. The District may also issue bond anticipation notes (“BANs”) to provide interim financing for bond projects that will ultimately be paid from GO Bonds.

- B. Long-Term: Debt issues may be used to finance essential capital facilities, projects and certain equipment where it is appropriate to spread the cost of the projects over more than one budget year. Long-term debt should not be used to fund District operations. Long term debt in the form of GO Bonds may be issued under Article XIII A of the State Constitution, either under Proposition 46, which requires approval by at least a two-thirds (66.67%) majority of voters, or Proposition 39, which requires approval by at least 55% of voters, subject to certain accountability requirements and additional restrictions.
- The District may also enter into long-term leases and/or COPs for public facilities, property, and equipment.
- C. Lease Financing: Lease-purchase obligations are a routine and appropriate means of financing capital equipment and certain capital facilities. However, lease obligations may impact on budget flexibility.
- D. Use of General Obligation Bonds: A significant portion of the District's capital projects are projected to be funded by GO Bond proceeds. Projects financed by the GO Bonds will be determined by the constraints of applicable law and the project list approved by voters.

## **Article IV**

### **Relationship of Debt to and Integration with District's Capital Improvement Program or Budget**

#### **Section 4.01. Impact on Operating Budget and District Debt Burden**

In evaluating financing options for capital projects, both short and long-term debt amortization will be evaluated when considering a debt issuance, along with the potential impact of debt service, and additional costs associated with new projects on the operating budget of the District. The cost of debt issued for major capital repairs or replacements may be judged against the potential cost of delaying such repairs.

#### **Section 4.02. Capital Improvement Program**

The Vice President and the facilities staff have responsibility for the planning and management of the District's capital improvement program subject to review and approval by the Board of Trustees. Staff will, as appropriate, supplement and revise any applicable Facilities Master Plan in keeping with the District's current needs for the acquisition, development and/or improvement of District's real estate and facilities. Such plans may include a summary of the estimated cost of each project, schedules for the projects, the expected quarterly cash requirements, and annual appropriations, in order for the projects to be completed.



## **Section 4.03. Refunding and Restructuring Policy**

### **A. Considerations for Refunding.**

1. **District's Best Interest.** Whenever deemed to be in the best interest of the District, the District shall consider refunding or restructuring outstanding debt if it will be financially advantageous or beneficial for debt repayment and/or structuring flexibility.
2. **Net Present Value Analysis.** The Vice President shall review a net present value analysis of any proposed refunding in order to make a determination regarding the cost-effectiveness of the proposed refunding.
3. **Maximization of Expected Net Savings.** Another consideration in deciding which debt to refinance and the timing of the refinancing shall be maximization of the District's expected net savings over the life of the bonds.
4. **Comply with Existing Legal Requirements.** The refunding of any existing debt shall comply with all applicable State and Federal laws governing such issuance.

## **Article V**

### **Policy Goals Related to District's Planning Goals and Objectives**

In following this Policy, the District shall pursue the following goals:

1. The District shall strive to fund capital improvements from voter-approved GO Bond issues to preserve the availability of its General Fund for District operating purposes and other purposes that cannot be funded by such bond issues.
2. The District shall endeavor to attain the best possible credit rating for each debt issue in order to reduce interest costs, within the context of preserving financial flexibility and meeting capital funding requirements.
3. The District shall take all practical precautions and proactive measures to avoid any financial decision that will negatively impact current credit ratings on existing or future debt issues.
4. The District shall, with respect to GO Bonds, remain mindful of its statutory debt limit in relation to assessed value growth within the school district and the tax burden needed to meet long-term capital requirements.
5. The District shall consider market conditions and District cash flows when timing the issuance of debt.
6. The District shall determine the amortization (maturity) schedule which will fit best within the overall debt structure of the District at the time the new debt is issued.
7. The District shall match the term of the issue to the useful lives of assets funded by that issue whenever practicable and economic, while considering repair and replacement costs of those assets to be incurred in future.

8. The District shall, when planning for the issuance of new debt, consider the impact of such new debt on overlapping debt of local, state and other governments that overlap with the District.
9. The District shall, when issuing debt, assess financial alternatives to include new and innovative financing approaches, including whenever feasible, categorical grants, revolving loans or other State/federal aid, so as to minimize the encroachment on the District's General Fund.
10. The District shall, when planning for the sizing and timing of debt issuance, consider its ability to expend the funds obtained in a timely, efficient and economical manner.

## **Article VI**

### **Internal Control Procedures for Issuance of Debt to Ensure Intended Use of Proceeds**

#### **Section 6.01. Structure of Debt Issues**

- A. **Maturity of Debt:** The duration of a debt issue shall be consistent, to the extent possible, with the economic or useful life of the improvement or asset that the issue is financing. Accordingly, the average life of the financing shall not exceed 120% of the average life of the assets being financed. In addition, the District shall consider the overall impact of the current and future debt burden of the financing when determining the duration of the debt issue.
- B. **Debt Structure:**
  1. **GO Bonds:**
    - a. **New Money Bond Issuances:** For new money bond issuances, the District shall size the bond issuance consistent with the "spend-down" requirements of the Internal Revenue Code and within any limits approved by the District's voters. To the extent possible, the District will also consider credit issues, market factors (e.g. bank qualification) and tax law when sizing the District's bond issuance.
    - b. **Refunding Bond Issuances:** The sizing of refunding bonds will be determined by the amount of money that will be required to cover the principal of, accrued interest (if any) on, and redemption premium for the bonds to be defeased on the call date and to cover appropriate financing costs.
    - c. **Maximum Maturity:** All bonds issued by the District shall mature within the limits set forth in applicable provisions of the Education Code or the Government Code. The final maturity of bonds will also be limited to the average useful life of the assets financed or as otherwise required by tax law.
  2. **Lease-Purchase Obligations:** The final maturity of equipment or real property lease obligations will be limited to the useful life of the assets to be financed.

- C. Debt Service Structure: The District shall design the financing schedule and repayment of debt so as to take best advantage of market conditions, provide flexibility, and, as practical, to recapture or maximize its debt capacity for future use.

### **Section 6.02. Use of Proceeds**

The District shall be vigilant in using bond proceeds in accordance with the stated purposes at the time such debt was incurred. In furtherance of the policy, and in connection with the issuance of all GO Bonds:

1. As required by Government Code Section 53410, the District shall only use GO Bond proceeds for the purposes approved by the District's voters; and
2. The Vice President shall have the responsibility, no less often than annually, to provide to the District's Board of Trustees a written report which shall contain at least the following information:
  - (i) The amount of the debt proceeds received and expended during the applicable reporting period; and
  - (ii) The status of the acquisition, construction or financing of the school facility projects, as identified in any applicable bond measure, with the proceeds of the debt.

These reports may be combined with other periodic reports which include the same information, including but not limited to, periodic reports made to the California Debt and Investment Advisory Commission, or continuing disclosure reports or other reports made in connection with the debt. These requirements shall apply only until the earliest of the following: (i) all the debt is redeemed or defeased, but if the debt is refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased, or (ii) all proceeds of the debt, or any investment earnings thereon, are fully expended.

3. The District shall post on the District website the Annual Report of the District's Independent Bond Oversight Committee which has been given the responsibility to review the expenditure of GO Bond proceeds to assure the community that all GO Bond funds have been used for the construction, renovation, repair, furnishing and equipping of school facilities, and not used for teacher or administrator salaries or other operating expenses.
4. The District shall hire an independent auditor to perform an annual independent financial and performance audit of the expenditure of GO Bond proceeds, and to post such audits on the District website.

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**BP 6300 FISCAL MANAGEMENT**

**References:**

Legally required

Education Code Section 84040(c); Title 5 Section 58311;

WASC/ACCJC Accreditation Standard III.D

2 Code of Federal Regulations Parts 200.302(b)(6)-(7), 200.305, and 200.400 et seq.

The **District** Chancellor 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 of **Trustees** and employees.
- Adjustments to the budget are made in a timely manner.
- 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 **California Community Colleges** 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.

The Chancellor shall establish procedures that satisfy the U.S. Education Department General Administrative Regulations (EDGAR) Second Edition for any federal funds received by the District.

The District 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.

**Income**

All money received by the District, regardless of the source, will be deposited according to Education Code and County requirements.

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.

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.

All income received for activities and events will be deposited in the same funding sources as the expenses for such activities and events.

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. (Also see BP/AP 3280 titled Grants)

### **Budget Limitations**

The Business Manager at each College controls the budget for his/her respective campus and reviews the monthly budget/expenditure reports. Each department receives a copy of the appropriate budget/expenditure report for information purposes. The District Assistant Chancellor, Business Services, and the Director, Accounting Services, shall review the District's financial statement for budget control on a monthly basis prior to submission to the Board of Trustees for information at regularly scheduled Board meetings. The financial statements are prepared by major object code levels.

The budget/expenditure reports by department, object code sequence, or funded projects option contain individual account numbers

### **Guidelines for Processing and Maintaining Revolving Funds at the Colleges**

1. Funds will be maintained in a regular checking account by the College Business Office. The checking account will be in the name of the College, will have a requirement of at least two signatories on a check, and a check limit of (\$2,500.00). Purchases are restricted to goods and services required for the operation of the College and the accomplishment of the College mission.
2. Reimbursements from the revolving fund will require a paper requisition with the appropriate approval and a vendor receipt. There will be no exceptions to the vendor receipt requirement.
3. A check may be issued for advance payment if the following conditions are met:
  - documentation indicating the amount and the requirement for advance payment is made available and,
  - a paper requisition is prepared with the appropriate approvals.

4. Funds initially will be accounted for through the establishment of a separate unit of accounting in the software program currently used for the travel funds.
5. Funds will be subject to spot audits, and documentation must be available to support all checks issued against the account and not yet reimbursed by the District.
6. Revolving funds will be reimbursed by the District based on direct pay entry to be accomplished in the Business Office according to the following:
  - The College Business Office to enter the direct pay data, supported by documentation.

Also see BP/AP 3300 titled Public Records, BP/AP 3310 titled Records Retention and Destruction, AP 6305 titled Reserves, AP 6310 titled Accounting, and AP 6315 titled Warrants.

The District is committed to principles of sound fiscal management and to provide for responsible stewardship of available resources. The District adheres to commonly accepted accounting standards as criteria for fiscal management regulations.

In order to ensure adherence to these principles and standards, the Chief Financial Officer will:

- Provide for safeguarding and managing District assets to ensure ongoing effective operations, maintenance of adequate cash reserves, implementation and maintenance of effective internal controls, determination of sources of revenues prior to making short-term and long-term commitments, establishment of a plan for the repair, and replacement of equipment and facilities.
- Provide for an organizational structure that incorporates a clear delineation of fiscal responsibilities and staff accountability.
- Provide that appropriate administrators keep the Board current on the fiscal condition of the District as an integral part of policy and decision-making.
- Provide for development and communication of fiscal policies, objectives, and constraints to the Board, staff, and students in accordance with state law, board policies, and administrative procedures.
- Provide for an adequate management information system that gives timely, accurate, and reliable fiscal information for planning, decision-making, and budgetary control.
- Provide for appropriate fiscal policies and regulations, and adequate controls to ensure that established fiscal objectives are met.
- Provide a process to evaluate significant changes in the fiscal environment and make necessary, timely, financial, and educational adjustments.
- Provide both short term and long term goals and objectives and broad based input coordinated with District educational plan.



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**BP 6320 INVESTMENTS**

References:

Legally required

Government Code Sections 53600 et seq.

The District Chancellor is responsible for ensuring that the funds of the District are invested that are not required for the immediate needs of the District. Investments shall be in accordance with law, including Government Code Sections 53600 et seq.

Investments shall be made based on the following criteria:

- The preservation of principal shall be of primary importance.
- The investment program must remain sufficiently flexible to permit the District to meet all operating requirements.
- Transactions should be avoided that might impair public confidence.
- **County Treasurer's Investment Pool** - Investment of District funds may be delegated to the County Treasurer. In accordance with county procedures, District funds may be pooled with other local agencies and invested by the County Treasurer in accordance with the investment guidelines specified by Government Code Section 53635 and investment policies adopted by the County Board of Supervisors.
- **State's Local Agency Investment Fund** (Government Code Sections 16429.1-16429.3) - District funds not required for immediate needs of the District may be remitted to the State Local Agency Investment Fund (LAIF) for the purpose of investment (Government Code Section 16429.1). District funds deposited with the LAIF shall be invested by the State Treasurer in securities prescribed by Government Code Section 16430, or the Surplus Money Investment Fund and as determined by the Local Investment Advisory Board (Government Code Section 16429.2).
- **Other Investments** - Other investments as permitted by Government Code Sections 53600 et seq., and in particular Government Code Sections 53601, 53601.8, 53635, and 53635.8 may be made by the Chief Financial Officer subject to prior approval of the Board of Trustees.

Excess funds of the District shall be invested by the District Chancellor or designee and overseen by Board Finance and Audit Committee.

All funds will be held in the name of the District and will be invested in accordance with Government Code Sections 53600 et seq. Permissible investments include the following:

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 years, unless specifically authorized by the Board of Trustees as provided in Education Code Section 53601.
- **Yield** - Yield is the potential dollar earnings an investment can provide

The District 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 Government Code Section 53646.

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 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 District.



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**BP 6330 PURCHASING**

**References:**

Legally required  
Education Code Section 81656;  
Public Contract Code Sections 20650 and 20651

The District Chancellor or CFO is delegated the authority to purchase supplies, materials, apparatus, equipment and services as necessary for the efficient operation of the District. No such purchase shall exceed the amounts specified by Public Contract Code Section 20651 as amended from time to time.

All such transactions shall be reviewed by the Board every 60 days.

**Use of Credit Cards Issued by the District**

CAL-Cards

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.

CAL-Card applications will be completed prior to issuance. Transactions will be limited to, travel, supplies, or equipment.

Gas Credit Cards

Individual gas cards will be assigned to employees assigned a District vehicle as part of their employment contract.

Individual pool vehicles will be assigned specific cards and checked out when vehicles are approved for specific District or College use.

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**BP 6340 BIDS AND CONTRACTS**

**References:**

Legally required

Education Code Sections 81641 et seq.; Public Contract Code Sections 20650 et seq.; Government Code Section 53060; WASC/ACCJC Accreditation Standard III.D.16 2 Code of Federal Regulations Part 200.318

The Board of Trustees delegates to the District Chancellor or Chief Financial Officer the authority to enter into contracts on behalf of the District and to establish administrative procedures for contract awards and management, subject to the following:

- Contracts are not enforceable obligations until they are approved or ratified by the Board.
- 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.
- When bids are required according to Public Contract Code Section 20651, the Board shall award each such contract to the lowest responsible bidder who meets the specifications published by the District and who shall give such security as the Board requires, or reject all bids.

If the District Chancellor, or Chief Financial Officer 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.

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 District Chancellor, or Chief Financial Officer is authorized to proceed with a contract.

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.

## 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 weeks in a newspaper of general circulation **published** 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 **the District's** website or through an electronic portal, a notice calling for bids or proposals, stating the **work to be done or** materials or supplies to be furnished and the time and place when bids will be opened. The District may accept a bid that was submitted either electronically or on paper.

Bid and contract forms shall be prepared and maintained by the Chief Financial Officer. All applicable statutory provisions and board policies shall be observed in preparation of the forms.

The Chief Financial Officer shall be responsible for insuring that the bid specifications are sufficiently broad to encourage and promote open competitive bidding.

All bid notices for work to be done shall contain an affirmative statement requiring compliance with California Labor Code Sections 1775 and 1776 governing payment of prevailing wages and California Labor Code Section 1777.5 governing employment of apprentices. All bid submissions shall contain all documents necessary to assure compliance with these California Labor Code Sections. Failure to provide such documentation shall cause any such bid to be deemed incomplete.

When required or determined to be appropriate, bids shall be accompanied by a certified or cashier's check, or bid bond, in the amount specified in the bid form, as a guarantee that the bidder will enter into contract and furnish the required contract bonds. When no longer required for the protection of the District, any certified or cashier's check received shall be returned to the respective bidder.

The Chief Financial Officer shall make available to the prospective bidders bid forms with sets of specifications and drawings and shall provide a convenient place where bidders, subcontractors, and materiel personnel may examine the specifications and drawings.

Chief Financial Officer shall provide an electronic copy of the plans and specifications and other contract documents to a contractor plan room service at no charge upon request from that contractor plan room.

When permitted, a deposit for sets of plans and specifications may be required and may be refunded when such documents are returned.

#### Awarding of Bids and Contracts Awards

The awarding of bids and contracts shall be subject to the following conditions:

1. Any and all bids and contract proposals may be rejected by the District for good and sufficient reason.
2. All bids shall be opened publicly and bidder shall be given the opportunity to make record of the bids received.
3. Bid and contract award recommendations to the Board shall show a tabulation of the bids received in reasonable detail.
4. Bid and contract awards shall be made to the lowest responsible bidder substantially meeting the requirements of the specifications. The District reserves the right to make its selection of materials or services purchased based on its best judgment as to which bid substantially complies with the quality required by the specifications.
5. For the purposes of bid evaluation and selection when the District determines that it can expect long-term savings through the use of life-cycle cost methodology, the use of more sustainable goods and materials, and reduced administrative costs, the District may provide for the selection of the lowest responsible bidder on the basis of best value pursuant to policies and procedures adopted by the governing board in accordance with this section.
6. "Best value" means the most advantageous balance of price, quality, service, performance, and other elements, as defined by the Board, achieved through methods in accordance with this section and determined by objective performance criteria that may include price, features, long-term functionality, life-cycle costs, overall sustainability, and required services.

### Purchase without Advertising for Bids

The Chief Financial Officer or designee is authorized to make purchases from firms holding **public agency** contracts without calling for bids where it appears advantageous to do so.

The Chief Financial Officer or designee may, without advertising for bids within all California counties, cities, towns, or districts, purchase or lease from other public agencies materials or services by authorization of contract or purchase order.

The Chief Financial Officer or designee may make purchases through the State of California Cooperative Purchasing Program operated by the Department of General Services.

### Duration of Continuing Contracts for Services and Supplies

1. Continuing contracts for work or services furnished to the District are not to exceed five years.
2. Contracts for materials and supplies are not to exceed three years.

### Emergency Repair Contracts without Bid

When emergency repairs or alterations are necessary to continue existing classes or to avoid danger of life or property, the Chief Financial Officer may make a contract **on** behalf of the District for labor, materials, and supplies without advertising for or inviting bids, subject to ratification by the **Board**.

### Unlawful to Split Bids

It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of the Public Contract Code requiring work to be done by contract after competitive bidding.

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**BP 6365    CONTRACTS   –   ACCESSIBILITY   OF   INFORMATION  
TECHNOLOGY**

References:

Unique to KCCD

Section 508 of the Rehabilitation Act of 1973 (29 U.S. Code Section 794d); 36 Code of Federal Regulations Sections 1194.1 et seq.;

Government Code Section 11135; Title 5 Sections 59300 et seq.

Electronic and information technologies (EIT) are a means by which the District provides information to students, faculty, staff, and other constituents. The need to ensure accessibility to all members of the campus community is critical as more administrative services and learning environments are based on EIT. It is also a part of the District's ongoing commitment to establishing a barrier free learning community, or universal access, to all individuals.

As mandated by federal/state laws and the California Community Colleges Chancellor's Office, it is required that the District comply with Section 508 Standards to ensure accessibility to EIT for individuals with disabilities.

The District Chancellor shall assure that contracts for information technology for use by the District comply with accessibility requirements pursuant to the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S. Code Section 794d) and its implementing regulations set forth at Title 36 Code of Federal Regulations Part 1194.

Also see BP/AP 3720 titled Computer and Network Use and AP 6365 Contracts – Accessibility of Information Technology.

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**BP 6400 FINANCIAL AUDITS**

**References:**

Legally required

Education Code Section 84040(b); WASC/ACCJC Accreditation Standard III.D.7

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 District Chancellor shall assure that an annual outside audit is completed. The District Chancellor shall recommend a certified public accountancy firm to the Board of Trustees with which to contract for the annual audit.

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**BP 6500      PROPERTY MANAGEMENT**

**References:**

Legally required

Education Code Sections 81300 et seq.

Facilities and equipment of the District shall be properly maintained.

The Board of Trustees shall review annually maintenance schedules for each College including, but not limited to, roofing, painting, parking, and walkway areas.

The **District Chancellor**, College President or designee is responsible for the maintenance of equipment and facilities.

The **District** Chancellor or Chief Financial Officer has **is delegated** the authority to act as the Board's negotiator regarding all property management matters that are necessary for the benefit of the District. No transaction regarding the lease, sale, use, or exchange of real property by the District shall be enforceable until acted on by the Board **of Trustees itself**.

The **District Chancellor** shall **establish such procedures as may be necessary to assure compliance with all applicable laws relating to the sale, lease, use, or exchange of real property by the District.**

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**BP 6520 SECURITY FOR DISTRICT PROPERTY**

**References:**

Legally required

Education Code Sections 81600 et seq.; ACCJC Accreditation Standard III.B.1

The District Chancellor shall establish procedures necessary to manage, control and protect the assets of the District, including but not limited to ensuring sufficient security to protect property, equipment, and information from theft, loss, or significant damage.

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**BP 6530 DISTRICT VEHICLES**

**References:**

Unique to KCCD

Insurance Code Section 11580.1(b);

Title 13, California Code of Regulations, Division 1, Chapter 1

The District Chancellor is authorized to establish a fleet of District vehicles as deemed necessary for the efficient operation of the District. Purchase of vehicles shall be made in accordance with board policy and all provisions of the law. The District Chancellor shall establish rules and procedures governing use of the District vehicles. He/she shall adopt a system of priorities allocating vehicles based upon factors of distance to be traveled, purpose, time of application, and safety.

The procedures shall ensure that each person required by their job description to drive a District-owned vehicle shall maintain a safe driving record. An employee's continuing compliance with such procedures shall be a condition of continued employment in any position requiring the driving of District vehicles.

Clearance to drive District-owned vehicles requires the driver/District employee to have in their possession an appropriate, valid California Drivers' License. Verification must be obtainable through the California Department of Motor Vehicles.

Transportation of students and District personnel on District-authorized field trips and overnight trips shall be provided consistent with state law, board policy, and administrative procedures as established by the District Chancellor. (Also see BP/AP 4300 titled Field Trips and Excursions)

Also see BP/AP 4300 titled Field Trips and Excursions as well as BP/AP 7600 titled Travel.



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**BP 6540 INSURANCE**

**References:**

Legally required

Education Code Sections 70902, 72502, 72506, and 81601 et seq.

The **District** Chancellor 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 of **Trustees** 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/her office or employment. The **District** 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.

*Also see BP/AP 3810 titled Claims Against the District, BP/AP 6800 titled Occupational Safety, and AP 7343 titled Industrial Accident and Illness Leave.*



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**BP 6550      DISPOSAL OF PROPERTY**

**References:**

Legally required

Education Code Sections 70902(b)(6), 81360 et seq., and 81450 et seq.

The District Chancellor is delegated authority by the Board of Trustees to declare as surplus such personal property of the District as is no longer useful for District purposes, and shall establish procedures to dispose of such property in accordance with applicable law. All sales of surplus personal property shall be reported to the Board on a periodic basis. This policy shall not be construed as authorizing any representative of the District to dispose of surplus real property at any time.

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**BP 6600 CAPITAL CONSTRUCTION**

**References:**

Legally required

Education Code Sections 81005 and 81820; Title 5 Sections 57150 et seq.

The purpose of providing facilities is to promote planned instructional programs and services.

The **District** Chancellor **is** responsible for the planning and administrative management of the District's capital outlay and construction program.

District construction projects shall be supervised by the **District Chancellor**. The Chief Financial Officer, or designee, shall monitor the progress of all construction work including inspection of workmanship, completion of work to meet specifications, and the suitability of proposed changes to the scope and original design of the work. The Director of Facilities shall assure compliance with laws related to use of state funds to acquire and convert existing buildings.

The Board of **Trustees** shall approve and submit to the Board of Governors a five-year capital construction plan as required by law. The **District Chancellor** shall annually update the plan and present it to the Board for approval. The plan shall address, but is not limited to, the criteria contained in law.

Capital outlay construction projects provided by general fund monies shall be completed according to a priority listing approved by the **District** Chancellor.

The Board of Trustees must approve the architects for any project that requires bidding. The Board of Trustees may appoint an architectural firm to perform all services for a campus. The selection will be based on architectural performance both past and present, experience, ability to communicate and access to the principal architects.

**Change Orders** - No changes in building plans or specifications are to be made before a change order is properly completed and approved by the **District** Chancellor or Chief Financial Officer.

**Notices of Completion** - The **District** Chancellor or **Chief Financial Officer** are authorized



to file Notice of Completion for construction projects.

**Reduce Retention** - The **District** Chancellor or **Chief Financial Officer** are authorized to reduce retention held from contractor after mid-point of construction to an amount they deem adequate and sufficient to protect the ongoing interests of the District.

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**BP 6620 NAMING OF PROPERTIES, FACILITIES, AND PROGRAMS**

References:  
Suggested as good practice  
No specific references

The naming of District/College properties, facilities, and programs requires the approval of the Board of Trustees.

**Definitions**

1. The term “facilities” includes, but is not limited to, buildings, rooms, interior spaces, streets, courts, athletic fields, open spaces, forests, and all other areas and properties owned, operated, or controlled by the District.
2. The term “program” includes colleges, departments, institutes, centers, and other units operated or controlled by District/College functions.

The **District** Chancellor shall be responsible for developing procedures for the naming of properties, facilities, or programs in accordance with Board Policy. Such procedures will employ the advisories of appropriate District/College consultation groups.

Recommendations for naming properties, facilities, and programs shall be submitted by the College President to the District Chancellor for consideration. The **District** Chancellor reserves the right to make certain decisions related to the naming of District/College properties, facilities, and programs and shall make recommendations to the Board of Trustees for action.

Proposals for naming District/College properties, facilities, and programs shall be considered individually on the proposal's own merits. No commitment or public announcement regarding a proposed name shall be made prior to the Board of Trustees' approval. The Board of Trustees reserves the right to accept or reject any recommendation related to naming.

Proposed names of a District/College property, facility, or program must meet at least one of the following criteria:

1. Designate the function of a property, facility, or program.
2. Reflect natural or geographical features.
3. Honor an individual or organization for making a significant contribution to the District/College.
4. Honor individuals who have attained achievements of extraordinary and lasting distinction who have had direct, substantial, and active association with the District/College.

A former employee, Board of Trustees member, or Board of Governors member must be retired at least three years. A former employee, Board of Trustees member, or Board of Governors member may be deceased.

5. Honor individuals who have a record of scholarship, creativity, leadership, humanitarian service, or public service.
6. Honor benefactors, defined as individuals, corporations, and other organizations, who have made substantial financial contributions to the District/College.

Proposed names shall not confuse the public about location or function of the designated property, facility, or program, but rather should enhance a visitor's ability to identify, locate, and use it.

Names of District/College properties, facilities, and programs which are in use as of July 1, 2008 shall continue to be used unless the Board of Trustees takes action to re-name the property, facility, or program.

Naming of properties, facilities, or programs shall be in perpetuity except as set forth **below**.

The Board of Trustees reserves the right to re-name a property, facility, or program in extenuating circumstances. Extenuating circumstances are defined as:

- a. Where events or information available subsequent to the approval of the designation mean that identification with the designation constitutes a significant and continuing challenge to the District/ College reputation.
- b. Where a benefactor has not met the conditions of a pledge commitment.

Replacement or substantial renovation of a property, facility, or program shall be considered the end of the useful life of the property, facility, or program. A named property, facility, or program will retain that name for the useful life of the property, facility, or program or until there is a change in the designated use or activity of the property, facility, or program unless one or more of the following conditions exist;

- a. A property, facility, or program is named for a term of years.

- b. An exception is made by the Board of Trustees based upon the recommendation of the **District** Chancellor.

The District/College shall maintain a file of all District/College properties, facilities, and programs with approved names.

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**BP 6700      CIVIC CENTER AND OTHER FACILITIES USE**

References:

Legally required

Education Code Sections 82537 and 82542

There is a civic center at each of the colleges. Use of the civic center shall be granted as provided by law. The District Chancellor shall establish procedures regarding the use of District property and facilities, including property designated by the District as a civic center, by community groups, outside contractors, and others.

The administrative procedure shall reflect the requirements of applicable law, including Education Code Section 82537, regarding civic centers. The procedures shall include reasonable rules regarding the time, place, and manner of use of District facilities. They shall assure that persons or organizations using District property are charged such fees as are authorized by law. Public use of District property shall not interfere with scheduled instructional programs or other activities of the District on behalf of students.

No group or organization may use District property to unlawfully discriminate on the basis of race, color, religion, ancestry, national origin, military or veteran status, disability, gender, gender identity, gender expression, or sexual orientation, or the perception that a person has one or more of the foregoing characteristics, or because a person associates with a person or group with one or more of these actual or perceived characteristics, or on any basis prohibited by law.

Use of the District's civic centers will be only for the purposes described by the California Legislature in Education Code Section 82537(a). These purposes include use by associations "formed for recreational, educational, political, economic, artistic, or moral activities of the public school districts" in order to "engage in supervised recreational activities" or "meet and discuss, from time to time, as they may desire, any subjects and questions which in their judgment appertain to the educational, political, economic, artistic, and moral interests of the citizens of the communities in which they reside" (Education Code Section 82537(a)). In granting permission to use the civic centers, the District will not discriminate on the basis of viewpoint with regard to organizations engaging in expressive activities on the topics and subject matters articulated above.

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**BP 6740      CITIZENS' BOND OVERSIGHT COMMITTEE**

**References:**

Legally advised

Education Code Sections 15278, 15280, and 15282;

California Constitution Article XIII A Section 1(b), Article XVI Section 18 (b)

If a bond measure has been authorized pursuant to the conditions of Proposition 39 as defined in the California Constitution, the District Chancellor shall establish a Citizens' Bond Oversight Committee in accordance with the applicable law and necessary regulations.

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**BP 6750      PARKING**

**References:**

Legally required

Education Code Section 76360; Vehicle Code Section 21113

The **District Chancellor** shall establish administrative procedures regarding vehicles and parking on campuses and other district properties as are necessary for the orderly operation of the instructional program. No person shall drive any vehicle or leave any vehicle unattended on the campus except in accordance with such procedures.

Limited parking permits may be issued to individuals or groups for a specific special event only. These permits will expire at the conclusion of the specific special event.

*Parking fees may be established in accordance with these board policies. (See BP 5030 titled Fees)*

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**BP 6800 OCCUPATIONAL SAFETY**

References:

Legally required

49 Code of Federal Regulations, Parts 40 and 655; Title 8 Section 3203;

29 Code of Federal Regulations 1910.101 et seq.; Health & Safety Code Section 104420

The District Chancellor shall establish administrative procedures to ensure the safety of employees and students on District sites, including the following:

- Compliance with the United States Department of Transportation regulations implementing the Federal Omnibus Transportation Employee Testing Act of 1991. Specifically, the District shall comply with the regulations of the Federal Highway Administration (FHWA) and, if applicable, the Federal Transit Administration (FTA). Compliance with these policies and procedures may be a condition of employment.
- Establishment of an Injury and Illness Prevention Program in compliance with applicable OSHA regulations and state law. These procedures shall promote an active and aggressive program to reduce and/or control safety and health risks.
- Establishment of a Hazardous Material Communications Program, which shall include review of all chemicals or materials received by the District for hazardous properties, instruction for employees and students on the safe handling of such materials, and proper disposal methods for hazardous materials.
- Prohibition of the use of tobacco in all public buildings.

The District shall provide employees with safe working conditions. In order to provide employees with safe working conditions, the District will publish and give to each employee an Injury and Illness Prevention Program document. The District will comply with applicable health, safety, and sanitation requirements of local, state, and federal governments where the District is aware of violations of any such requirements and when it is possible to do so.

In the case of a determination of an unsafe condition/practice the District shall correct such unsafe condition/practice immediately or within (30) days, if feasible.



When an unsafe condition/practice exists presenting a clear and substantial hazard to the confidential/management employee's health, the District will provide an alternative work site.

Employees will comply with the responsibilities listed in the District Injury and Illness Prevention Program.

*Also see BP/AP 3500 titled Campus Safety, BP/AP 3505 titled Emergency Response Plan, BP/AP 3510 titled Workplace Violence Plan, and AP 7343 titled Industrial Accident and Illness Leave.*

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**BP 6900      BOOKSTORES**

**References:**

Legally required

Education Code Section 81676; Civil Code Section 1798.90

The college bookstores shall be established and operated by a qualified vendor.

The college bookstores shall comply with the requirements of the Reader Privacy Act.

Contracts for outside vendors to operate bookstores shall be awarded by competitive bid, submitted to the Board of Trustees for approval and awarded in the best interests of the students. Student organizations shall be encouraged to submit bids and given preference if they meet all other bid criteria.

**Subsidiary Services**

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

**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 of Trustees for approval and awarded in the best interests of the students. Student organizations shall be encouraged to submit bids and given preference if they meet all other bid criteria.

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

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