IV. Fiscal Section

A. Program and Project Budgets

As new projects, previously approved under the District's Facilities Master Plan, are scheduled to begin, they are brought to the Board for approval. For more information on the Facilities Master Plan, as well as the annual review and update process, see Section I.A.2 Long-Range Facilities Master Plan.

1. Design and Construction Budget Management

Once the project budget is approved by the Board, the Fiscal Initiator will set up the project in MUNIS. The Fiscal Initiator will prepare the New Bond Program Project Detail Form, attached in the Appendix as Item 2.04. Project funding will be broken down by Fiscal Year and Cost Code. The Project Detail Form requires approval and date from both Fiscal and Facilities Approvers.

The Project Detail Form is then routed to the Fiscal Initiator, who creates the project account strings and enters the multi-year budget into MUNIS. Once the budget has been entered in MUNIS, the Fiscal Initiator will complete, sign, and date the "Input in MUNIS" box on the Project Detail Form. The Fiscal Approver will then review and approve the budget batch in MUNIS and initial the form in the "Input in MUNIS" section to confirm that the project budget was entered in MUNIS correctly. The form is then filed in the District's central Program files.

The Board-Approved Site Budgets for each project are reviewed on a monthly basis to confirm the accuracy and appropriateness of expenditures and commitments. Any budget transfers within the Site Project Budget require an update to the corresponding cash flow. The Fiscal Approver also verifies sufficient funding in each account string to cover anticipated encumbrances throughout the fiscal year. Board Approved Site Budgets for each project are also monitored for the overall project fund balance and project status.

A step-by-step flowchart of the Project Budgeting process is attached in the Appendix as Item 2.01.

2. Monthly Reconciliation Project Ledger to General Ledger

Reconciliation of the SACS code (General Ledger Account Code) and the Project Ledger Account Code is completed monthly. If variances are found, the Fiscal Team will make corrections in MUNIS using the appropriate forms. There are three forms used, attached in the Appendix as Items 2.05, 2.06, and 2.07:

- Project Multi-Year Budget Amendment / Transfer Form
- General Journal Entry Form
- Encumbrance Journal Entry Form

After the adjustments are made, the Fiscal Team will re-run the report in MUNIS to confirm the accounts are in balance.

Fiscal will print out the reconciliation sheet with detail transaction data for Budget, Encumbrances and Actual Expenditures, as well as the Project Ledger report for Salaries. Detailed step-by-step Reconciliation Instructions are attached in the Appendix as Item 3.

3. Project Budget Transfers

Budget transfers between cost codes within a project can be made at the discretion of the Fiscal Approver because there is no change to the overall project budget. Fiscal may determine that a budget transfer is needed as the result of monthly review of project budgets and/or knowledge of anticipated commitments and expenditures. For every prospective transaction, the Fiscal Approver is required to review and approve the Proposal Approval Checklist Form (PACF) which confirms the account string and sufficient funding for the proposed commitment. The PACF is discussed in more detail in Section III.A.4.a. Proposal Approval Checklist, and a copy is attached in the Appendix as Item 1.01.

If a budget transfer is required in order to make sufficient funding available in the account string in MUNIS, the Fiscal Initiator will prepare a Project Multi-Year Budget Amendment/Transfer Form with all required information. The Fiscal Approver will then review the fiscal year, account string and amount, and verify that the budget transfer will keep the project within the Board-approved budget. After review, the Fiscal Approver will sign and date the form. The Fiscal Initiator will then enter the budget transfer in MUNIS and route it for approval and posting.

Per the requirements of Ed Code §42600, budget transfers between cost codes with no change to the overall project budget are brought to the Board quarterly (First Interim, Second Interim, Estimated Actual, and Unaudited Actual). A copy of the Project Multi-Year Budget Amendment / Transfer Form and detailed instructions for completion is attached in the Appendix as Item 2.05.

4. Project Budget Amendments

Any change to the Board-approved project budget (increase or decrease) must be approved by the Board. The Bond Controls Team (BCT) may determine that a budget amendment to increase funding is necessary as the result of monthly review of project budgets and/or knowledge of anticipated commitments. If a funding increase is required, the BCT will prepare a Board précis, which will include a Financial Impact statement to identify the effect on the overall Program. The Financial Impact Statement will clearly state the reduction to

Projected Cash Balance and increase in the total Bond Program Budget. The budget amendment should be a separate item on the same précis as the contract approval/ratification. A copy of this précis format will be included with other Board Précis formats in the final Administrative Section Appendix, and further information about the function and production of Board Précises can be found throughout III.C. Board Authorization.

After the Board has approved the additional funding, the Fiscal Initiator will prepare a Project Multi-Year Budget Amendment / Transfer Form with all required information for entry into MUNIS. Fiscal Approver will then review the fiscal year, account string, and amount, and verify available funding for the amendment. After review, the Fiscal Approver will sign and date the form. The Fiscal Initiator will then enter the budget amendment in MUNIS and release it into workflow for approval and posting.

At the end of the project when financial closeout is complete, the Bond Program Site Budget will be updated with the final project cost. If a funding increase is required, the BCT will prepare a Board précis with a proposed Bond Program Site Budget Authorization Form to present for Board approval (for more information please see III.C. Board Authorization). Board approval is required to finalize the project cost and transfer any budget savings back to the fund balance. Once approved by the Board, the Fiscal Initiator will prepare the Project Multi-Year Budget Amendment / Transfer Form for review and approval by the Fiscal Approver and complete the process in MUNIS.

A copy of the Project Multi-Year Budget Amendment / Transfer Form and detailed instructions for completion are attached in the Appendix as Item 2.05.

B. Procurement

1. Cost Codes — Chart and Explanation

The District's MUNIS system uses General Ledger Account Codes (GL) to track all financial transactions against project budgets within a fiscal year. The Project Ledger (PL) is a subsidiary ledger within the financial system which is used to track capital projects wherein budgets span multiple fiscal years. A copy of the MUNIS Project Ledger Cost-Code Chart and a Cost-Code Explanation worksheet with examples are attached in the Appendix as Items 4.02 and 4.03.

2. Types of Transactions

The District will procure a variety of goods and services required for the delivery of a project. Section III.A and B provide further detail on the Bidding and Procurement procedures for the following types of transactions:

Construction - Design-Bid-Build:	III.A.3.b.i and III.B.2
Construction - Design-Build:	III.A.3.b.ii and III.B.3
Construction - CUPCCAA:	III.A.2.a and III.B.1.a
Professional Services:	III.A.4 and III.B.4
Equipment or Materials:	III.A.5

3. Proposal Approval Checklist Form

The procurement of all types of transactions begins with the Project Manager or department initiating a Proposal Approval Checklist Form (PACF) and attaching the corresponding proposal, contract, or quote. The PACF is described in further detail in Section III.A.4.a. Proposal Approval Checklist. An example of the PACF is attached in the Appendix as Item 1.01, and a flowchart of the New Proposal Approval Checklist process is attached as Item 2.02.

While the PACF is under review by the Bond Controls Team (BCT), the Fiscal Approver reviews the budget availability in the account string as well as the overall project. If a Budget Transfer or Budget Amendment are required, they will initiate the process described in Section IV.A.3 and 4. When the review is complete, the Fiscal Approver will sign and date the PACF for confirmation.

Check requests for permits or fees where payment is required in advance are processed differently from other types of procurement transactions. The Project Manager or Contracts Team will prepare a Check Request form and attach an invoice if available, or an email from the Architect or Project Manager that shows the calculation of the requested amount. In the case of a DSA check request, a screenshot of the DSA Fee Calculator should be included. The Check Request form is then routed to the Bond Controls Team for review and approval. Sample DSA Check Request and Non-DSA Check Request forms are attached in the Appendix as Items 1.02 and 1.03.

4. Enter in MUNIS

After the bidding process, as described in Section III.A. and B. for each of the transaction types listed above in Section IV.B.2, has been completed, Contracts will complete a PACF as described above in Section IV.B.3. If Board approval is required, Contracts will prepare the précis, and the Assistant Superintendent of

Operations will review the précis and add it to the Board Agenda. Following Board approval, Contracts will utilize the Agreement Checklist to track and confirm receipt of all required documentation. When the package is complete, the Contracts Approver will review and forward to the Associate Superintendent of Operations any agreements for signature. At this point, Contracts will upload all documents into MUNIS and release the contract or requisition in Munis to workflow.

a. Requisition / Purchase Order

The purchase of goods or materials that will be completed within a single fiscal year will be processed in MUNIS as a Purchase Order (PO). When the PACF is complete with all approvals and required documentation, the Contracts Team may enter the requisition in MUNIS. A step-by-step instruction sheet for Requisition Entry in MUNIS is attached in the Appendix as Item 5. If the requisition / PO exceeds the limit, it will be released in MUNIS only after Board approval.

b. Contracts

All professional and special services contracts, as well as all construction contracts, are entered in MUNIS as Contracts because they usually extend over multiple fiscal years. For contracts that are publicly bid, the Contracts Team will create a placeholder contract number in MUNIS that will be used during the bidding process. After Board approval and receipt of all signed documentation, the Contracts Team will upload all documents to MUNIS and release the contract into workflow for approval. For an RFQ/RFP process, the contract is released in MUNIS after Board approval and compilation of a complete, signed, package of documents. A step-by-step instruction sheet for Contract Entry in MUNIS is attached in the Appendix as Item 6.

Step-by-Step workflow diagrams for Informal Bids, Formal Bids, Professional Services Contracts, and Design-Build Contracts will be included in the final Appendix.

C. Payment Processing

1. Vendor Invoices

a. Timeliness / Receipt Date-Stamp

PCC §20104.50 requires all public agencies to process payments for all undisputed, properly submitted payment requests within 30 days. While

this statute generally refers to contractors, the District uses its best efforts to extend the same courtesy to all vendors. Vendors are required to submit hard-copy invoices to the Facilities Operation Center with the following information included:

- Reference to Existing Authority: Contract or PO Number
- Invoice Number
- Date
- Name of Firm
- Billing Detail Pursuant to Contract
- Contractor Payment Applications in AIA G702/G703 Format

The Confidential Secretary receives all invoices and date-stamps them to begin the 30-day process window before giving them to the Fiscal Initiator.

b. Invoice Review and Approval Process

After confirming that the invoice has been received within five (5) days of the stamped receipt date, the Fiscal Initiator reviews the invoice against the corresponding purchase order or contract in MUNIS to confirm that the commitment is posted in MUNIS. They also review the invoice to make sure it includes all required information and is eligible for payment. Next, they log the invoice on the Invoice Tracker which is maintained on the District's shared network drive for accessibility by the Facilities Department. They prepare a Payment Approval Form (PAF), which can be found as Appendix Items 7-7.07. If the invoice is older than five (5) days, or if there are any inaccuracies, the invoice will be rejected following the procedure outlined below in Section IV.C.1.c.

The invoice and PAF are then forwarded to the Project Manager (PM) to confirm the bill rate, statement of work, and any reimbursables being billed before signing and dating the PAF. The Project Manager will indicate approval of the invoice by signing and dating the actual invoice. If the invoice is to be rejected, the procedure outlined below in Section IV.C.1.c. will be followed. The PAF is then forwarded to the Fiscal Approver, who will indicate approval of the funding source and amounts against MUNIS by signing and dating the PAF. Finally, the PAF is sent to the Facilities Approver, who indicates approval of the contract status (scope and completion of work).

The invoice is then forwarded back to the Fiscal Initiator, who will update the Invoice Tracker and email a transmittal of invoices to Accounting for

entry in MUNIS. Step-by-step instructions for Invoice Entry in MUNIS are attached in the Appendix as Item 8.01. The Fiscal Initiator will monitor the progress of the payment in MUNIS to ensure compliance with the 30-day requirement. They will review the weekly check batch, typically on Tuesdays, to confirm all of the invoices were entered. After updating the Invoice Tracker with the warrant information, they will file the hard copy invoices in the project files. A template of the Invoice Tracking Sheet can be found in the Appendix as Item 8.04. A step-by-step workflow of the Invoice Process can be found in the Appendix as Item 10.02.

c. Invoice Rejection

If the Fiscal Initiator or the Project Manager determines that the invoice is unacceptable for any reason, it must be returned to the vendor by email in a timely manner accompanied by Invoice Rejection text, with a cc to the Fiscal Initiator and/or the Project Manager. A sample of such an email is attached in the Appendix as Item 8.05. In the email, the invoice number, date, contract and amount will be stated, along with the reason for the rejection which may include any of the following:

- Missing Executed Contract/Amendment
- Invoice Exceeds Available Balance
- Missing Contract Number
- Duplicate Invoice Number
- Missing Supporting Documentation
- Other Reason

The vendor may resubmit the invoice when the missing documents have been submitted or corrections made, at which time the 30-day window will recommence. The Fiscal Initiator is responsible for tracking the open invoice until it is resolved.

2. Construction Payment Applications

a. Timeliness / Receipt Date-Stamp

PCC §20104.50 requires all public agencies to process payments for all undisputed, properly submitted payment requests within 30 days. Following review and approval of the draft payment application each month, the Project Manager will deliver the original, notarized contractor payment application with all required signatures to the Fiscal Initiator who will then date-stamp it to begin the 30-day process window.

b. Pay Application Review and Approval Process

On or around the 25th day of each month at the weekly job site meeting, the Contractor will present their pencil draft payment application for review by the Project Manager, Architect, and Inspector of Record (IOR), as applicable, all of whom are generally in attendance. After the monthly progress of completion is agreed, the Contractor will then produce the final payment application, notarized, in G702/G703 industry standard format. The Project Manager will then sign the payment application and obtain the signatures of the Architect and IOR, if necessary, in a timely manner before delivering the completed payment application to the Fiscal Initiator for processing.

Following the same procedure as for Vendor Invoices described above, the Fiscal Initiator will review the contract in MUNIS to confirm that the commitment is posted, and the payment application is eligible for payment. Next, the Fiscal Initiator logs the payment application on the Invoice Tracker and prepares the appropriate Payment Approval Form (PAF) that corresponds with the following invoice types:

- Regular
- Multi-Year
- Multi-Funded
- Multi-Year and Multi-Project
- Retention
- Escrow

Samples of each type of PAF are attached in the Appendix as Items 7.01-7.07.

The PAF is then forwarded to the Fiscal Approver to review against the contract and the project budget. Lastly, the Facilities Approver will sign and date the PAF. The invoice is then forwarded back to the Fiscal Initiator, who will update the Invoice Tracker and email the invoice transmittal to Accounting for entry in MUNIS. Step-by-step instructions for Invoice Entry in MUNIS are attached in the Appendix as Item 8.01.

The Fiscal Initiator will monitor the progress of the payment in MUNIS to ensure compliance with the 30-day requirement. They will review the weekly check batch, typically on Tuesdays, to confirm all of the invoices were entered After updating the Invoice Tracker with the warrant information, they will file the hard copy payment application packages in the project files.

A step-by-step workflow diagram showing the Pay Application Process is attached in the Appendix as Item 10.03.

c. Retention Payment to Escrow / Retention Release

The District withholds 5% retention on all construction contracts. If the contractor has elected to hold their retention in an escrow account, the payment process involves a combination of the progress and retention payment processes. The Fiscal Initiator will run the contract retainage report in MUNIS after the contract portion of the payment application is released and then process the escrow payment. When Accounting enters the payment application in MUNIS, the portion that is paid to the escrow bank goes through the Retention workflow the following week. While the check to the contractor will be available following the next check run date, the check for the escrow bank will be available one week later.

Thirty days after the Notice of Completion (NOC) is filed, the contractor may request release of retention. This request should be separate from any other progress payments or final change order payment applications. The remaining steps to generate and track the Retention Warrant are the same as for other payments. A step-by-step description of the Retention/Escrow Payment process in MUNIS is attached in the Appendix as Item 8.02.

3. Check Processing / Payment Schedule

The Accounting department processes payments in MUNIS weekly, with check-run batches typically every Tuesday. The warrants are then available to be mailed out or hand-delivered every Wednesday after 2 PM.

4. Corrections

In the monthly reconciliation of the project, District staff may discover that an invoice payment was applied incorrectly for any of the following reasons:

- Invoice payment is made to the wrong Contract or PO
- Invoice payment is made to the wrong Account Code for a split-funded Contract or PO
- Invoice payment is made as a Direct Pay instead of against the Contract or PO
- Invoice payment is made as Direct Pay with wrong Account Code
- Any other payment correction

If the discovery is made after the check is cashed, then the invoice must be reversed and corrected in MUNIS following the steps outlined in the Invoice Correction Procedure, attached in the Appendix as Item 8.03.

D. Reporting

1. Monthly Reports

To promote transparency, accountability and confidence in the WCCUSD Bond Program, the Facilities, Planning and Construction Department prepares a group of reports each month to present to the Facilities Committee and Citizens' Bond Oversight Committee and are available to the general public. The reports provide an update on the financial status of projects as well as the status of the various bond measures. Sample copies of each of these monthly reports are attached in the Appendix as Items 9.01-9.06.

a. Financial Status Reports

Bond Program Spending to Date by Site: This report, grouped by school type, shows Current Board Approved Budget, Prior Year/Current Year and Total Expenditures, Remaining Commitments, and Board Approved Budget Balance for each school site. In addition, footnotes indicate whether the site includes Legacy or 2016 Master Plan projects and the status of those projects.

Bond Program Financial Status Report 13: This report provides a cash projection, including Cash Balance, Projected Revenues, Available Funds, Board Approved Budget, Current Budget Balances, and Project Cash Balances. It also includes pending State Facility Grants that are expected in future years, as well as the required funding needs for future Master Plan projects.

Financial Impact of Report 13 Variance: This report demonstrates and provides an explanation for any changes in Adjusted Cash Balance, Projected Available Funds, Projected Cash Balance, and State Facility Grants from month to month.

Bond Program AP Check List: This report lists all of the Warrants issued during the prior month, including Vendor, Check Number, Check Date, Account Code, Invoice Number, Invoice Date, Invoice Amount, and Invoice Description. This report does not include any payroll warrants.

Consolidated Budget Status Report - Program-Wide: This report, grouped by School site, includes Total Budget, Total Commitments, and Total Expenditures for all projects in the Bond Program.

Consolidated Budget Status Report - 2016 Master Plan: This report, grouped by School site, includes Total Budget, Total Commitments, and Total Expenditures for all projects in the 2016 Facilities Master Plan.

2. Annual Reports

The Associate Superintendent of Business Services, with considerable input from the Bond Management Team, is responsible for presenting the annual budget reports for the Bond Program as part of the annual Districtwide presentation of the budget. After adoption of the annual budget, the State Department of Education requires two interim financial reports each year which are first submitted to the County Office of Education before being forwarded to the State. The Interim Reports include updates that reflect new information and Board actions taken since the original budget adoption. Any significant updates in Revenue and Expense expectations since adoption of the original budget are summarized. These reports can be found at the District's Business Services website at https://www.wccusd.net/Page/10962.

- New Fiscal Year Annual Budget – presented annually to the Board in June and adopted at the following Board meeting
- First Interim Report (October) – update presented annually to the Board in December
- Second Interim Report (January) – update presented annually to the Board in March

As a best practice, the following reports are also presented to the Facilities Committee (FC) annually:

- Cash Flow with April Data (included in Facilities Master Plan update)
- Cash Flow with June data after fiscal year close

In addition to the annual reports listed above, the following reports are provided to the Citizens' Bond Oversight Committee (CBOC) to aid in the preparation of their annual report:

- Bond Program Key Performance Indicators (KPI) Summary
- Annual Report 13 Variance for January-December

E. Project Management and Resource Database Interoperation

1. MUNIS

The District's main financial system of record is MUNIS which is reconciled monthly for accuracy by the Fiscal Approver. While MUNIS has its benefits, including the ability to track contracts on a multi-year basis, it isn't the most flexible in producing customized reports with the information that is required of the Facilities, Planning and Construction Department. The following report will be prepared and presented for each CBOC and Facilities Committee meeting, and can be found in the Appendix as Item 9.03:

- *Bond Program Spending to Date by Site*

2. AccountAbility

In 2019, the Facilities, Planning and Construction Department implemented AccountAbility from Colbi Technologies which specializes in its ability to provide customizable reports. The following reports from AccountAbility will be prepared and presented for each CBOC and Facilities Committee meeting, and can be found in the Appendix as Items 9.01 and 9.02:

- *Consolidated Budget Status Report: 2016 Master Plan*
- *Consolidated Budget Status Report: Program-Wide*

F. Fiscal Year-End Procedures

The District is obligated to close their books at the end of every fiscal year, whereas projects continue to be designed and built year-round. Allocated funds must be transferred from one fiscal year to the next, with the least effort. The use of MUNIS, with its ability to track multi-year contracts, and a clear understanding of which commitments remain active, provide the back bone for this process.

1. Deadlines for Current Fiscal Year Transactions

Every spring, the Business Services department will publish deadlines for completion of all remaining current fiscal year transactions, by which all District Departments are expected to comply. The Payment Approval Form for any invoices submitted for payment after June 30 should clearly indicate in which fiscal year the invoice should be expensed.

a. Invoices / Pay Applications / Retention through June 30

- Beginning May 1st, the Project Manager (PM) will request a projected billing amount from all contractors to be

submitted by May 15th for all services completed and goods received by June 15th. The PM will provide this information to Fiscal Approver for year-end accruals and budget planning purposes.

- Beginning June 1st, the PM will request invoices from all vendors for work completed and goods received by June 30th, to be received no later than the first week of July.

- Retention for all projects will be automatically carried over to the next year.

- The PM is required to keep Fiscal informed of all potential commitments where the vendor may be unable to provide a timely invoice for current fiscal year goods or services.

b. Contract / Purchase Order Review

- Contracts will automatically roll to the new fiscal year unless the PM confirms that the work is complete. The commitment should be closed and funds disencumbered as necessary.

- Purchase Orders (POs) will automatically close unless the PM confirms that there are some open items that will not be completed or received by year-end. In that case, the PO will close and be re-issued in the new fiscal year with a new PO number.