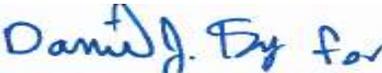




The Board of Governors of the California Community Colleges

PRESENTED TO THE BOARD OF GOVERNORS
DATE: July 8-9, 2013

SUBJECT: California Community Colleges Budget and Accounting Manual Update		Item Number: 2.3	
		Attachment: No	
CATEGORY:	Fiscal Policy	TYPE OF BOARD CONSIDERATION:	
Recommended By:	 Frederick E. Harris, Assistant Vice Chancellor	Consent/Routine	
		First Reading	
Approved for Consideration:	 Brice W. Harris, Chancellor	Action	X
		Information	

ISSUE: This item presents annual technical changes and revisions to the California Community Colleges Budget and Accounting Manual. These changes update and improve the accounting procedures of California’s community colleges.

BACKGROUND: The budget and accounting manual has the authority of regulation in accordance with California Code of Regulations, title 5, section 59010. The budget and accounting manual is distributed as part of the Board of Governors’ responsibility to define, establish, and maintain the budgeting and accounting structure and procedures for the California Community Colleges. This responsibility is defined in California Education Code section 70901. Each community college district is required to follow the budget and accounting manual in accordance with Education Code Section 84030, which states:

“The accounting system, including the uniform fund structure used to record the financial affairs of any community college district, shall be in accordance with the definitions, instructions, and procedures published in the California Community Colleges Budget and Accounting Manual...”

RECOMMENDED ACTION: It is recommended that the Board of Governors approves the annual updates and recent revisions to the California Community Colleges Budget and Accounting Manual.

ANALYSIS: California community college districts are required by regulations (California Code of Regulations title 5 section 58300 et seq.) to prepare financial reports and annual budgets that report all their actual and projected revenues and expenditures on forms provided by the Chancellor’s Office. The budget and accounting manual facilitates compliance with this requirement by providing for a uniform fund structure, revenue and expenditure classifications, and other accounting procedures for the consistent and comparable reporting of financial data by all community college districts.

The process to update the budget and accounting manual includes a coordinated effort from the Chancellor’s Office and the Association of Chief Business Officials (Fiscal Standards and Accountability Committee). The annual district audit by the contracted independent auditor will assess districts compliance with the manual.

Summary of Recommended Changes

Chapter 3 – Accounting for Revenues and Financing Sources

Education Protection Account

A new revenue object code (8630) was added to account for revenue from the Education Protection Account.

Accounting Advisory FS 13-03 Proposition 30 Education Protection Account provides the detailed guidelines.

Redevelopment Agency Funds – Liquidation of Assets

Object code 8819.5 was added to account for Redevelopment Agency proceeds from asset sales and other liquid assets distributed to the appropriate taxing entities.

Chapter 4 – Expenditures and Other Outgo

Educational Administrators

The definition of educational administrators was made consistent with Education Code section 87002 and California Code of Regulations section 53402.

Management Information Systems

Object code 6780 was added to account for expenditures for non-instructional data processing and data management services.

The Appendix

Added Accounting Advisory FS 13-03 Proposition 30 Education Protection Account Guidelines