Chapter 6

Business & Fiscal Affairs

BP 6100   Delegation of Authority
BP 6100.1 Fraud
BP 6150   Designation of Authorized Signatures
BP 6200   Budget Preparation
BP 6250   Budget Management
BP 6300   Fiscal Management
BP 6304   Travel
BP 6320   Investments
BP 6330   Purchasing
BP 6331   Procurement Cards
BP 6340   Contracts
BP 6400   Audits
BP 6450   Wireless or Cellular Telephone Use
BP 6500   Property Management
BP 6520   Security for District Property
BP 6530   District Vehicles
BP 6535   Use of Equipment
BP 6540   Insurance
BP 6550   Disposal of Property
BP 6550.2 Real Property
BP 6560   Gifts
BP 6600   Capital Construction
BP 6600.3 Neighborhood Outreach
BP 6600.4 Vendor Outreach
BP 6620   Naming Buildings
BP 6700   Civic Center and Other Facilities Use
BP 6740   Citizens’ Oversight Committee
<table>
<thead>
<tr>
<th>BP 6750</th>
<th>Parking</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP 6800</td>
<td>Safety</td>
</tr>
<tr>
<td>BP 6900</td>
<td>Bookstores</td>
</tr>
<tr>
<td>BP 6910</td>
<td>Housing</td>
</tr>
</tbody>
</table>
BP 6100  Delegation of Authority

Reference: Education Code Sections 70902(d); 81655, 81656

The Board delegates to the Chancellor or designee 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 Board Policy 6340).

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

See AP 6100.
BP 6100.1 Fraud Policy

Sound business conduct requires that each employee assume responsibility for safeguarding and preserving the assets and resources of the District, for which he or she is responsible. The following represent the District’s expectations concerning this basic commitment and responsibility:

1. All revenues generated by the District and all expenditures for goods and services, must be recorded and accounted for within the financial management system of the District.

2. No false or artificial entries are to be made in the accounting records of the District for any reason. No payment on behalf of the District is to be approved or made with the knowledge that any part of such a payment is to be used for any purpose other than that described by the documents supporting the payment.

3. The use of District funds or assets for any personal, unlawful, or improper purpose is prohibited.

4. The misuse of any District equipment, supplies, or facilities for a revenue generating activity that benefits an individual employee is strictly prohibited.

5. No person in a supervisory or management position is to use the authority of that position to assign an employee to perform non-employment related tasks.

6. Managers are primarily responsible for safeguarding District resources by establishing and maintaining sound business controls designed to deter and detect potential misuse of resources. Further, the District shall encourage its employees and other persons to disclose improper activities as defined in the Reporting by School Employees of Improper Governmental Activities Act (Education Code Section 44110) and to protect those reporting improper activities from reprisal or intimidation.

See AP 6100.
BP 6150 Designation of Authorized Signatures

Reference: *Education Code Section 85232, 85233*

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

See AP 6150.
BP 6200    Budget Preparation
Reference: Education Code Section 70902(b)(5); Title 5, 58300 et seq.

Each year, the Chancellor or designee shall present to the Board 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.

Budget development shall meet the following criteria:

- The annual budget shall support the District’s strategic and educational plans.
- Assumptions upon which the budget is based are presented to the Board for review.
- Unrestricted general reserves shall be no less than the prudent reserve defined by
  the Chancellor’s Office of the California Community Colleges.
- Changes in the assumptions upon which the budget was based shall be reported to
  the Board in a timely manner.
- Budget projections address long-term goals and commitments.

See AP 6200.
BP 6250  Budget Management

Reference: Title 5 Sections 58307, 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 in excess of amounts budgeted shall be added to the District’s reserve for contingencies. They are available for appropriation only upon a resolution of the Board 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.

During the final quarter of the fiscal year, budget categories shall be examined and the year-end status of each shall be estimated. Before the close of the fiscal year, appropriate amounts shall be transferred from those accounts in which a surplus is anticipated into those in which a deficit is anticipated.

See AP 6250.
BP 6300    Fiscal Management
Reference: Education Code Section 84040(c); Title 5 Section 58311

The Chancellor or designee 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 to safeguard and manage district assets to ensure the ongoing effective operations of the District.

- Fiscal objectives, procedures, and constraints that are communicated to the Board and employees.

- Adjustments to the budget, made in a timely manner.

- A financial management system that provides timely, accurate, and reliable fiscal information.

- Clear delineation of responsibility and accountability for fiscal management.

- Maintenance of the books and records of the District pursuant to the California Community Colleges' Budget and Accounting Manual.

- Financial planning that includes both short-term and long-term goals and objectives with broad-based input which is coordinated with the District’s strategic and educational planning.

As required by law, the Board shall be presented with a quarterly report showing the financial and budgetary conditions of the District. The Chancellor or designee shall immediately report to the Board conditions significantly affecting the financial status of the District.

As required by the California’s 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.

No employee of the District shall use District funds to attend any agency, organization, group, club, foundation, fellowship or service organization (public or private) that discriminates by policy against anyone for the reasons of race, sex, sexual orientation, ethnic background, creed, or disability.

See AP 6300.
BP 6304 Travel

Reference: Education Code Section 87032

The Board approves funds to provide for travel expenditures incurred by District faculty, staff, board members, and students in the conduct of District academic, business, and professional activities under the following principles:

1. The Board delegates to the Chancellor or designee the administrative authority and responsibility for the use of travel funds within the United States.

2. The District recognizes the interdependence of the global community and the importance of informed connections with other nations and cultures and in this context supports international travel approved in advance of making any travel arrangements.

3. All travel activities will be consistent and appropriate with the needs of the programs and purposes of the District.

4. The Chancellor or designee shall develop administrative procedures related to travel advances, expenditures, and reimbursements.

5. The Board shall develop policy and procedures for the Chancellor as stated in the employment contract and defined in the annual goals and plan of work.

See AP 6300.4.

Board Approved November 12, 2013
BP 6320 Investments

Reference: Government Code Section 53600 et seq.

The Chancellor or designee 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 California 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.

See AP 6320.
BP 6330 Purchasing

Reference: Education Code Section 81656; Public Contract Code Sections 20650, 22002

The Chancellor or designee is delegated the authority to purchase supplies, materials, apparatus, equipment, and services as necessary to the efficient operation of the District. No such purchase shall exceed the bid threshold as specified by Section 20651 of the California Public Contract Code, as adjusted annually for inflation by the Chancellor's Office of the California Community Colleges, without Board approval.

Further, as it pertains to public projects, as defined by Section 22002 of the California Public Contract Code, no purchase shall exceed the bid threshold as defined by Section 20651(b) of the California Public Contract Code without Board approval.

All transactions below the bid thresholds shall be ratified by the Board within 60 days.

See AP 6330.
BP 6331 Procurement Cards

The Chancellor or designee may issue a Procurement (Pro) Card to certain authorized employees for qualified business transactions associated with minor purchases or travel expenditures when traveling on District business.

The Procurement Card is to be used exclusively for District business purposes and is not meant to replace purchase orders for authorized ongoing expenditures and major purchases. All purchases must be eligible, based on the allowable criteria as established in the administrative procedures, and charges to the Procurement Card require the appropriate documentation to adequately support the charge.

The Procurement Card will have the following spending limits established based on employment and need:

- A dollar limitation of purchasing authority per transaction
- A dollar limitation of purchasing authority for the total of all charges made during each monthly billing cycle

If credit limits need to be increased temporarily, the necessary increase will need to be approved by the college president, vice-chancellor, or chancellor. All cardholders must sign and accept the terms and conditions of the San Jose-Evergreen Community College District Procurement Card Program Cardholder Agreement.

Each cardholder is responsible for the card issued to him/her and compliance to this policy and administrative procedures. All cards are subject to ongoing audit for compliance and enforcement of this policy and administrative procedures.

See AP#6331

Board Approved January 28, 2014
BP 6340  Contracts


The Board delegates to the Chancellor or designee 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 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 bid threshold as specified by Section 20651 of the California Public Contracts Code, adjusted annually by the Chancellor’s Office of the California Community Colleges, shall require prior approval by the Board.

- When bids are required according to Public Contracts 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 Chancellor or designee concludes that the best interests of the District will be served by pre-qualification of bidders in accordance with Public Contracts 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 Contracts Code Section 20652, the Chancellor or designee is authorized to proceed with a contract.

Consistent with the Board’s general delegation of authority and State and Federal law, and subject to any reporting and ratification requirements, the Chancellor or designee are specifically empowered to execute orders that change or alter a contract entered into by the District pursuant to Public Contract Code Section 20651 and to authorize the contractor to proceed with performance without securing bids, if the agreed upon cost does not exceed the maximum allowed by Public Contract Code Section 20659 or ten percent of the original contract price. Changes are subject to ratification of the Board.

The District does not recognize and shall not be bound by verbal agreements nor does the District recognize and shall not be bound by written agreements signed on behalf of the District by an individual not authorized to bind, encumber, or contract on behalf of the District.

See AP 6340.
BP 6400 Audits

Reference: Education Code Section 84040(b)

There shall be an annual audit of all funds, books, and accounts of the District in accordance with the regulations of Title 5 conducted by external auditors independent of the District.

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

The audit shall be conducted in accordance with Generally Accepted Government Auditing Standards.

See AP 6400.
BP 6450 Wireless or Cellular Telephone Use

Reference: Vehicle Code Sections 12810.3, 23123, and 23124; Internal Revenue Code (I.R.C.) Sections 274(d)(4) and 280F(d)(4)

The Chancellor of designee shall establish procedures for the use of District-issued handheld communication devices and for the use of personal handheld communication devices used for District purposes.

Motor vehicle drivers may not use handheld communication devices while operating a vehicle without a hands-free listening device and shall comply with all requirements of State law regarding the use of handheld communication devices in vehicles.

There shall be no expectation of privacy in the use of a District-issued handheld communication device.

See AP 6450.
BP 6500    Property Management

Reference: *Education Code Sections 81300, et seq.*

The Chancellor or designee 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.

The Chancellor or designee 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.

See AP 6500.
BP 6520    Security for District Property

Reference: Education Code Section 81600 et seq.

The Chancellor or designee 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.

In case of an accident involving a District-owned vehicle, District Police shall be immediately notified, as well as the District’s Administrative Services Office.

No loan of any District equipment is permitted for activities unrelated to District business.

See AP 6520.
BP 6530    District Vehicles

Reference: Title 13, California Code of Regulations, Div.1

All District vehicles and drivers must comply with the California Vehicle Code and Title 13 (Motor Carrier Safety).

The Board delegates to the Chancellor or designee the authority to establish procedures for the use of all District vehicles.

See AP 6530.
BP 6535 Use of Equipment

The Chancellor or designee shall establish procedures for the use of District equipment.

See AP 6535.
BP 6540    Insurance

Reference: Education Code Sections 70902; 72502; 72506; 81601, et seq.

The Chancellor or designee shall be responsible to secure insurance for the District as required by law, which shall include but is not limited to the liabilities described in Education Code Section 72506 as follows:

- Liability for damages for death, injury to persons, or damage or loss of property.

- Personal liability of the members of the Board 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 or her office or employment. The Chancellor or designee may authorize coverage for persons who perform volunteer services for the District.

- Worker's compensation insurance.

Insurance also shall 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 described in this policy.

See AP 6540.
BP 6550  Disposal of Property

Reference: Education Code Section 70902(b)(6), 81452

The Chancellor or designee is delegated authority by the Board to declare as surplus such District personal property as is no longer useful for District purposes, and shall establish procedures to dispose of such District personal property in accordance with applicable law. All sales of surplus District 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 District surplus real property at any time.

See AP 6550.
BP 6550.2  Real Property

The District can sell or lease real property belonging to the District only if the provisions of the Education Code relating to such sale or lease are met upon approval by the Board.

See AP 6550.2
BP 6560 Gifts

The Board shall consider the acceptance of all gifts, donations, and bequests made to the District in excess of $5,000. The Board reserves the right to refuse to accept any gift which does not contribute toward the goals of the District, or the ownership of which would have the potential to deplete resources of the District.

The District shall assume no responsibility for appraising the value of gifts made to the District.

Acceptance of a gift shall not be considered endorsement by the District of a product, enterprise, or entity.

In no event shall the District accept a donation from any donor who engages in practices or policies which discriminate against any person on the basis of race, sex (i.e., gender), color, religion, national origin, age, disability, or sexual preference; or when the stated purposes of the donation are to facilitate such discrimination in providing educational opportunity.

The Chancellor or designee shall define procedures for the acceptance of gifts by the District.

See AP 6560.
BP 6600    Capital Construction

Reference: *Education Code Section 81820; Title 5, Section 57150 et seq.*

The Chancellor or designee is responsible for planning and administrative management of the District’s capital outlay and construction program.

District construction projects shall be supervised by the Chancellor or designee. The District 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 Chancellor or designee shall assure compliance with laws related to use of State funds to acquire and convert existing buildings.

The Board shall approve and submit to the Board of Governors a five year capital construction plan as required by law. The Chancellor or designee 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.

See AP 6600.
BP 6600.3 Neighborhood Outreach

The Chancellor or designee shall establish administrative procedures that articulates a protocol for the dissemination of information related to capital projects and that encourages early and frequent communication, including multilingual communication as needed, between the District and the community.

See AP 6600.3
BP 6600.4 Vendor Outreach

The Chancellor or designee shall establish administrative procedures that affirm the District’s commitment to increase the opportunities for and participation of small and disadvantaged businesses, including women-owned and minority-owned businesses, in its procurement of goods and services.

See AP 6600.4
BP 6620    Naming Facilities / Campus Events

In recognition of major financial or educational contributions, the Board may name District facilities in honor of a donor. The term “facilities” includes, but is not limited to, buildings, rooms, plazas, gardens, walkways, streets, and other spatial areas or structures on District property. Proposals shall be considered by the Chancellor and the President of the appropriate college in consultation with the campus community. The Chancellor may make a recommendation to the Board, which shall have final authority. In addition to facilities, special campus events such as athletics, fine arts, lectures, and other activities may be eligible for naming under this policy.

See AP 6620.
BP 6700    Civic Center and Other Facilities Use
Reference: *Education Code Sections 82537; 82542*

Use of any District facility (civic center) shall be granted as provided by law. The Chancellor or designee shall establish procedures regarding the use of District property, including but not limited to facilities, equipment, and supplies, by community groups and other outside contractors.

The master agreement between the District and the Foundation shall define the basis for use of District property by the Foundation.

The administrative procedures shall reflect the requirements of applicable law, including Education Code Section 82537, regarding Civic Centers. The regulations 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 for purposes that discriminate on the basis of race, color, religion, ancestry, national origin, disability, sex (i.e., gender), or sexual orientation, or the perception that a person has one or more of the foregoing characteristics.

No advertisements shall be disseminated on District premises without permission of the Chancellor or designee.

See AP 6700.
BP 6740    Citizens’ Oversight Committee

Reference: *Education Code Sections 15278, 15280, 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 Chancellor or designee shall establish a Citizens Bond Oversight Committee (CBOC) in accordance with the applicable law and necessary regulations.

See AP 6740.
BP 6750    Parking

Reference: *Education Code Section 76360; Vehicle Code Section 21113*

The Chancellor or designee shall establish administrative procedures regarding vehicles and parking on the campuses as are necessary for the orderly operation of the instructional program.

The District shall establish regulations to facilitate parking and traffic applicable to all persons using any District site as authorized under the provisions of the California Penal Code, the California Vehicle Code, the California Education Code, and the City of San Jose Municipal Code. No person shall drive any vehicle or leave any vehicle unattended on the campuses except in accordance with the administrative procedures and regulations.

Parking fees may be established in accordance with these board policies and shall be Board approved. (See Board Policy 5030.) Parking fees collected are to be designated for the maintenance and control of existing parking lots as well as construction of new parking areas.

See AP 6750.
BP 6800    Safety


The Chancellor or designee 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.

- A written emergency preparedness plan that complies with California’s Standardized Emergency Management System (SEMS) and the National Incident Management System (NIMS). As required by law, all district employees may be placed into service as Disaster Service Workers.

See AP 6800.
BP 6900    Bookstores

Reference: Education Code Section 81676.5; Civil Code Section 1798.90

The campus bookstores shall be established and operated by the District and/or by a qualified vendor awarded a contract by competitive bid if found to be in the best interest of the District.

Operational costs of the campus bookstores shall be paid from revenue earned from the bookstore unless otherwise authorized by the Board. Net proceeds not needed for operational costs of the campus bookstores shall be used for the general benefit of the District as determined by the Board.

Fiscal management of the campus bookstores shall be in accordance with the California Community Colleges’ Budget and Accounting Manual. An annual audit of the records and accounts of the campus bookstores shall be provided to the Board.

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

See AP 6900.
BP 6910    Housing

Reference: Education Code Sections 94100 et seq.

The Chancellor or designee is delegated the authority to enter into agreements with nonprofit entities to finance the cost of constructing student, faculty, and staff housing near the campuses of the District.

See AP 6910.