

**MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS**

**Accounts**

The district's accounting system shall fully comply with the definitions, instructions and procedures set forth in the California Department of Education School Accounting Manual. (Education Code 41010)

The Superintendent or designee shall ensure that funds are encumbered in the district accounting records immediately after an expenditure is committed for subsequent payment.

*(cf. 3110 - Transfer of Funds)*

**Fraud Prevention and Investigation**

Fraud, waste, or abuse means any activity by the district or employee that is undertaken in the performance of the employee's official duties, including activities deemed to be outside of the scope of his employment, that is in violation of any local, state, or federal law or regulation relating to corruption, malfeasance, bribery, theft of government property, fraudulent claims, fraud, coercion, conversion, malicious prosecution, misuse of government property, or willful omission to perform duty, is economically wasteful, or involved in gross misconduct. [Government Code 53087.6(f)(2)]

Fraud, financial improprieties or irregularities include but are not limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the district.
2. Forgery or unauthorized alteration of a check, bank draft or any other financial document.
3. Misappropriation of funds, securities, supplies or other assets.
4. Impropriety in the handling of money or reporting of financial transactions.
5. Profiteering as a result of insider knowledge of district information or activities.
6. Disclosing confidential and/or proprietary information to outside parties.

*(cf. 4119.23/4219.23/4319.23 - Unauthorized Release of Confidential/Privileged Information)*

7. Disclosing investment activities engaged in or contemplated by the district.

*(cf. 3430 - Investing)*

8. Accepting or seeking anything of material value from contractors, vendors or persons providing services or materials to the district.

**MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS** (continued)

9. Destroying, removing or inappropriately using of records, furniture, fixtures or equipment.
10. Failing to provide financial records to authorized state or local entities.
11. Any other dishonest or fraudulent act.

The Superintendent or designee shall investigate or audit reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information about the investigation confidential. The investigative or audit reports prepared pursuant to this administrative regulation shall be kept confidential, except to issue any report of investigation that has been substantiated, or to release any findings from a completed investigation that are deemed necessary to serve the interest of the public. The identity of the individual or individuals reporting the improper government activity, and the subject employee or employees shall be kept confidential.

If an investigation substantiates the occurrence of a fraudulent activity, the Superintendent or designee shall issue a report to appropriate personnel. The final disposition of the matter and any decision to file a criminal complaint or refer the matter to the appropriate law enforcement and/or regulatory agency for independent investigation shall be made in consultation with legal counsel. The substantiated report, any subsequent investigatory materials or information are subject to the confidentiality provisions of applicable local, state, and federal statutes, rules, and regulations. The result of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate need to know.

*(cf. 4112.6/4212.6/4312.6 - Personnel Files)*  
*(cf. 4119.1/4219.1/4319.1 - Civil and Legal Rights)*

Regulation  
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**SAN DIEGO UNIFIED SCHOOL DISTRICT**  
San Diego, California