December 6, 2011

TO: Business Administrators
Los Angeles County School and Community College Districts

FROM: Gerald Yarbrough, Business Advisory Services Manager
Regionalized Business Services
Division of Business Advisory Services

SUBJECT: Contract Payment Retention

Senate Bill 293 (Chapter 700, Statutes of 2011) added Section 7201 to the Public Contract Code, stating that the contract payment retention amount withheld by any public agency from the original contractor shall not exceed five percent. This provision also applies to any payment between an original contractor and a subcontractor, and between subcontractors. It also provides that the total retention amount cannot exceed five percent of the contract amount.

Districts may retain an amount greater than five percent by defining that the project is substantially complex. For a project to be defined as substantially complex, the governing board of the school district, or its designee, must approve this finding at a regularly scheduled board meeting. This finding and the retention amount must be included in the bid documents before the bid is posted.

The new law also reduces the period of time from ten days to seven days after receiving a progress payment that a prime contractor must pay the subcontractor.

These regulations take effect January 1, 2012, and sunsets January 1, 2016.

This bulletin is posted on the Los Angeles County Office of Education’s Web site at the following address:

www.lacoe.edu/bas

Select “Bulletins” on the left side of the screen under the heading “BAS Resources,” and then use the “Find” function to locate a specific bulletin by number or keyword.

School districts may contact me with any questions regarding this bulletin at (562) 922-6122, or by e-mail at Yarbrough_Gerald@lacoe.edu.

Approved:
Melvin Iizuka, Director
Division of Business Advisory Services

GY:rb

Info. Bul. No. 128
BAS-58-2011-12
Bulletin #270

March 22, 2006

TO: Business Administrators
    Los Angeles County School and Community College Districts

FROM: Gerald Yarbrough, Business Advisory Services Manager
    Regionalized Business Services
    Division of Business Advisory Services

SUBJECT: Attorney General’s Opinion Regarding Piggyback Contracts and Permanent Modular Construction

At the February 2005 State Allocation Board (SAB) meeting, the SAB requested that Office of Public School Construction (OPSC) request a formal opinion from the Attorney General regarding the use of Public Contract Code Section 20118 to acquire and install factory-built modular building components that result in the assembly of permanent schools without further competitive bid.

Attorney General’s Opinion

The Attorney General opined that “A school district may not, without advertising for bids, contract with another public agency to acquire factory-built modular building components for installation on a permanent foundation.”

The Attorney General’s opinion only refers to a facility comprised of multiple pre-manufactured building components, such as separate wall and floor systems, that are transported to a site where components are installed on a permanent foundation.

The opinion does not address portable or relocatable classrooms as defined by Education Code Section 17070.15(j), which are typically factory-built as two complete building modules that are connected on-site and placed on temporary foundations.

SAB Action

As a result of this opinion, the SAB has ruled that any contracts for modular construction on a permanent foundation signed after January 25, 2006, must be competitively bid.
Facility Program projects with construction contracts of this type, signed prior to January 25, 2006, will continue to be considered for funding.

At its February 22, 2006, meeting, the SAB directed staff to provide additional notice to ensure that school and community college districts are aware of this ruling. A copy of the opinion can be viewed at the OPSC Web site: www.opsc.dgs.ca.gov.

If you have any questions regarding this bulletin, please call me at (562) 922-6122.

Approved:
Deborah L. Simons, Director
Division of Business Advisory Services

GY:mc

Info. Bul. No. 270
BAS-102-2005-06
October 14, 2013

TO: Business and Accounting Administrators
Los Angeles County K-12 Schools and Community College Districts
and other Local Educational Agencies

From: Nkeiruka Benson, Disbursement and Financial Systems Manager
Accounting and Financial Services
Division of School Financial Services

SUBJECT: Minimum Audit Requirements for Settlement Agreements

The purpose of this bulletin is to provide audit documentation requirements for settlement agreements. The following items are the required audit documentation for settlement agreements.

1. A copy of the settlement agreement that contains the signatures of:
   a. District Representative
   b. Plaintiff/Claimant
   c. District’s Counsel
   d. Plaintiff’s Attorney (if any)

   Please note that an agreement can be edited (redacted) at the district’s option to preserve confidentiality, provided that enough information remains to verify the settlement amount, settlement terms and conditions, and the specific payee.

2. Documentation of District Board Approval that:
   a. Is approved or reported in open session, per the Brown Act.
      i. If approved in a Closed Session, documentation that reports final action taken in the open session with respect to the settlement agreement.

   b. Provides enough detail to match the approval with the settlement agreement. We recommend, to preserve confidentiality, that the case number be referenced in open session.
      i. If a case number is included on the document and included in the Board minutes, there is no need to reference the claimant or amount of the settlement in open session, or
      ii. A “settlement number” determined by the district is acceptable if it is referenced in the settlement agreement.
Employee Settlements treated as wages per IRS ruling 2004-109 and 2004-110, must be made through the payroll system to ensure the payment meets IRS and retirement reporting regulations. Under the Internal Revenue Service Revenue Rulings, the amount of a settlement as consideration for cancellation of an employment contract and surrender of contract rights is ordinary income, and wages. Unless the settlement is due to physical injuries, the total amount due should be net of applicable FICA, FUTA, and Federal income tax withholding. If the payment is required to be treated as employee wages and an employer does not do so, the employer can be subject to additional tax liability. Specifically, the employer can be liable to pay (i) the amount of the income taxes that should have been withheld, (ii) both the employer and the employee shares of the FICA taxes, (iii) interests, and (iv) penalties amounting to 20% or more of the non-withheld taxes.

3. Employee settlement agreements paid through commercial warrant, will require a letter from someone in authority at the District (CBO, Asst. Superintendent, Business Services) acknowledging the following:
   a. The district can be held liable for failure to properly issue a 1099.
   b. The district (as the employer or prior employer) can be held liable for failure to withhold income, FICA and FUTA taxes if a settlement is determined taxable to the plaintiff on a W-2 and a B warrant is issued.


This bulletin may be downloaded from the LACOE website at: [www.lacoe.edu/sfs](http://www.lacoe.edu/sfs)

On the SFS home page, under Resources, select Bulletins. Type in the bulletin number or keyword to find the specific bulletin you need to download.

If you have any questions regarding this bulletin, please contact Luz Spanks at (562) 922-6454 or Spanks_Luz@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

NB:It

Info. Bul. No. 3695
SFS-A27-2013-2014
January 24, 2014

TO: Business Administrators
Los Angeles County School and Community College Districts

FROM: Nkeiruka Benson, Disbursements and Financial Systems Manager
Division of School Financial Services

SUBJECT: Overview of Lease and Leaseback Delivery Method of Public School Construction Projects

The purpose of this bulletin is to provide information regarding the Lease and Leaseback Delivery Method (LLB) for public school construction projects, the policies adopted by the County Office regarding this method, and the minimum audit documentation requirements for voucher payments.

Overview of Lease-Leaseback

Available to school districts in Los Angeles County, the Lease-Leaseback method is an alternative option for construction/modernization projects.

Education Code (EC) Section 17406 authorizes school districts to enter into agreements, without advertising for bids, with any person, firm, or corporation on the terms and conditions as the governing board may deem to be in the best interest of the school district.

Education Code (EC) Section 81336 authorizes community college districts to also enter into lease and leaseback agreements, but unlike EC 17406, the agreement entered shall be with the lowest responsible bidder.

In LLB, the district enters into two leases with the builder for the project to create the lease-leaseback structure—a Site Lease and a Facilities Lease. The Site Lease is the document in which the District will lease the underlying site, or portion thereof, to the builder for a minimum lease of $1 per year. The Facilities Lease is the document the builder will use to sublease the site and the project to the District. At the end of the lease term, the District will retain the facility without future lease terms.

Requirements before entering into Lease-Leaseback Agreements

While EC 17406/81336 authorizes the district to enter into LLB agreements, there are statutes to be complied with before entering into such agreements.

EC 17402/81332 – Before the governing board enters into a lease, it shall have available a site upon which a building to be used by the district may be constructed and shall have complied with the provisions of law relating to the selection and approval of sites.
EC 17417/81344 requires the board, in a regular open meeting, to adopt a resolution declaring its intention to enter into a lease or agreement pursuant to this article.

The resolution shall contain the following:

1. Describe the available site upon which the building will be constructed.
2. Describe the building to be constructed.
3. State that the building will be constructed according to the plans and specifications adopted by the governing board.
4. State the minimum yearly rental, and the maximum number of years (no longer than 40 years or remaining life of building whichever is shorter).
5. State that the proposals submitted shall designate the amount of rental to be paid by the district.
6. Fix a time, not less than three (3) weeks thereafter, for a public meeting of the Board to receive sealed proposals from any person, firm, or corporation.
7. The general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality obtained from Director of the Department of Industrial Relations (EC 17424/81350)

**Minimum Contract Provisions**

The following Contract Provisions should be included in the LLB agreements:

1. The agreement should state that the general prevailing rates will be paid as required in EC 17424/81350.
2. A provision on progress payments to the builder for the construction services in a sum equal to no more than 95% of the value of construction performed up to the last day of previous month as required in Public Contract Code 9203. Due to State Bill 293, retention cannot be more than five percent (5%) of the completed portion of the contract. If the district plans to withhold a higher retention amount, it must make a finding that the project is “substantially complex” thus requires a higher retention amount.
3. Guaranteed Maximum Sum, the total sum to be paid to the builder for the project, including architectural fees and related design costs. This may also include or refer to a separate contingency fund. This contingency fund may be utilized for: (1) any unforeseen costs which are within the scope of the project; (2) any work modifications as defined in the construction provisions documents; or (3) any additional unforeseen costs associated with the financing of the Project. In addition, the Contingency Fund may be increased from any cost savings, as provided in the Construction Provisions. The LLB agreement should specify the purposes for which the contractor contingency fund may be used. Any funds remaining in the Contingency Fund after the completion of the project must be returned to the school district, as provided in the Construction Provisions.
4. The Payment Bond should be in place before commencement of any work (Civil Code 9550 and 9554). The Payment Bonds should be equal to the Guaranteed Maximum Sum. This amount should be paid by the builder and be included as a line item in the Guaranteed Maximum Sum. The project should be fully bonded. Bond arrangements should be discussed prior to finalizing the Construction Provisions.
5. The Construction Provisions must include adequate insurance and indemnification language to protect the school district.

An in-depth discussion of the Lease-Leaseback Construction Delivery Method, presented by Atkinson, Andelson, Loya, Ruud & Romo, can be found at the link below:


Challenges

The LLB method has been challenged in various sectors because of the seemingly questionable assurance that the awarding of contracts does not favor favoritism, it is fair, free of fraud, and that public funds are being used in an efficient and cost-effective manner. Districts are advised to take precautionary measures when entering into these agreements. The following measures can minimize challenges to the LLB delivery method:

- Use a third party to review the documents.
- Seek legal counsel to determine the viability of this method and in the preparation of documents.
- Adopt a governing board resolution to approve the LLB agreements and state that the agreements were reviewed and that the governing board found the terms to be in the best interest of the district.

Minimum Audit Requirements in Commercial Claims Unit to approve vouchers related to the Lease and Leaseback Project

Planning Stage

1. Notice of District Intent (Attachment 2)
2. Board Resolution to enter into a Lease and Leaseback agreement (Attachment 3)
3. Proof of ownership of site
4. Division of State Architects (DSA) Approval of Plans and Soils Investigation Report Summary

Initial Payment

1. Board Action (or Resolution) Approving and Awarding of Contracts/Agreements
2. Duly Signed Contracts/Agreements
   a. Site Lease
   b. Facilities Lease with the Construction Services Agreement to include, among others, provisions on:
      i. Labor code requirements, i.e., prevailing wages, work hours, and apprenticeship issues
      ii. Guarantee obligations
      iii. Termination of contract
      iv. Resolution of non-performance
   c. Payment Schedule
   d. Guaranteed Maximum Price
3. Performance and Payment Bond
4. Certification of Insurance
5. Certification of Application for payment with approval of the contractor, architect, inspector, district authorized representative
Overview of Lease and Leaseback Delivery Method of Public School Construction Projects
January 24, 2014
Page 4

For progress payments

1. Certification and Application for payment with the approval of the contractor, architect, inspector, district authorized representative
2. Change Orders with Board Approval (should be within the context of the Contingency Fund provision)
3. Stop Payment Notice(s) (if any)

For final payment

1. Release of Stop Payment Notice (if any)
2. Board Acceptance of Completed Project
3. Notice of Completion

This bulletin and its attachments are posted on the LACOE Web site at the following address:
www.lacoe.edu/bulletins

Type in the bulletin number or keyword to find the specific bulletin you need to download.

If you have any questions regarding this bulletin, please contact Luz Spanks at (562) 922-6454 or Spanks_Luz@lacoe.edu.

TM:lt
attachments

Approved:
Patricia Smith, Executive Director
Business and Finance

Info. Bul. No. 3711
SFS-A35-2013-2014
Education Codes (EC) Relating to Lease and Leaseback Agreements

A. Right of Board to enter into a Lease and Leaseback agreement

Education Code 17406
Notwithstanding Section 17417, the governing board of a school district, without advertising for bids, may let, for a minimum rental of one dollar ($1) a year, to any person, firm, or corporation any real property that belongs to the district if the instrument by which such property is let requires the lessee therein to construct on the demised premises, or provide for the construction thereon of, a building or buildings for the use of the school district during the term thereof, and provides that title to that building shall vest in the school district at the expiration of that term. The instrument may provide for the means or methods by which that title shall vest in the school district prior to the expiration of that term, and shall contain such other terms and conditions as the governing board may deem to be in the best interest of the school district.

Education Code 81336
The governing board of a community college district may enter into an agreement with any person, firm, or corporation under which such person, firm, or corporation shall construct, or provide for the construction of, a building to be used by the district upon a designated site and lease such building and site to the district. Such instrument shall provide that the title to such building and site shall vest in the district at the expiration of such lease, and may provide the means or method by which the title to the building and site shall vest in the district prior to the expiration of such lease, and shall contain such other terms and conditions as the governing board of the district deems to be in the best interest of the district.

The agreement entered into shall be with the lowest responsible bidder who shall give such security as the board requires. The board may reject all bids. For the purpose of securing bids the board shall publish at least once a week for two weeks in some newspaper of general circulation published in the district, or if there is no such paper, then in some paper of general circulation circulated in the county, a notice calling for bids, stating the proposed terms of the agreement and the time and place where bids will be opened.

Requirements before board may enter into lease or agreement

Education Code 17402
Before the governing board of a school district enters into a lease or agreement pursuant to this article, it shall have available a site upon which a building to be used by the district may be constructed and shall have complied with the provisions of law relating to the selection and approval of sites, and it shall have prepared and shall have adopted plans and specifications for the building that have been approved pursuant to Sections 17280 to 17316, inclusive. A district has a site available for the purposes of this section under any of the following conditions:

(a) If it owns a site or if it has an option on a site that allows the school district or the designee of the district to purchase the site. Any school district may acquire and pay for an option containing such a provision.
(b) If it is acquiring a site by eminent domain proceedings and pursuant to Chapter 6 (commencing with Section 1255.010) of Title 7 of Part 3 of the Code of Civil Procedure, the district has obtained an order for possession of the site, and the entire amount deposited with the court as the probable amount of compensation for the taking has been withdrawn.

(c) In the case of a district qualifying under Section 17410, if it is leasing a site from a governmental agency pursuant to a lease having an original term of 35 years or more or having an option to renew that, if exercised, would extend the term to at least 35 years.

**Education Code 81332**
Before the governing board of a community college district enters into a lease or agreement pursuant to this article, it shall have available a site upon which a building to be used by the district may be constructed and shall have complied with the provisions of law relating to the selection and approval of sites, and it shall have prepared and shall have adopted plans and specifications for such building which have been approved pursuant to Article 7 (commencing with Section 81130) of Chapter 1 of Part 49. A district has a site available for the purposes of this section if it owns a site or if it has an option on a site which allows the community college district or the designee of the district to purchase the site. Any community college district may acquire and pay for an option containing such a provision.

**Education Code 17280**

a) (1) The Department of General Services under the police power of the state shall supervise the design and construction of any school building or the reconstruction or alteration of or addition to any school building, if not exempted under Section 17295, to ensure that plans and specifications comply with the rules and regulations adopted pursuant to this article and building standards published in Title 24 of the California Code of Regulations, and to ensure that the work of construction has been performed in accordance with the approved plans and specifications, for the protection of life and property. Nothing in this section shall be construed to allow a school district to perform work with its own forces in excess of the limitations set forth in Sections 17595 and 17599. In calculating the cost of any project of reconstruction or alteration of, or addition to, any school building for the purpose of determining the applicability of the rules and regulations adopted pursuant to this article and building standards published in Title 24 of the California Code of Regulations, the Department of General Services shall not include, as an element of that cost, any expenses of air-conditioning equipment or insulation materials for that building, or of installing the equipment or materials.

(2) In the alternative, for a leased or purchased building, a school district may comply with this section by complying with Section 17280.5.

(b) Whenever repairs due to fire damage, not including any damage caused by wind or earthquake, must be made to any school building previously approved by the Department of General Services, the approved plans and specifications used in the original work under then existing rules, regulations, and building standards may be used without modification, providing all other provisions of this article are carried out.
(c) Notwithstanding any other provision of law, no school district shall be authorized to construct or reconstruct any school building, regardless of the source of funding, unless and until the governing board of the district, by resolution, has indicated the agreement of the district that any school building construction or reconstruction that exceeds those construction costs and allowable area standards or any allowable building area computed for an attendance area pursuant to Section 17041 shall, in the event of the district's subsequent application for state funding for school facility construction, be deducted from the allowable building area for which the district would otherwise have been eligible, which restriction shall not be subject to waiver or exception as otherwise may be provided by law.

(d) If it is determined that, for any reason, a school district failed to comply with the requirement of this section, the district shall not be eligible for any additional building area pursuant to Section 17049 and may be denied any time priority established for the particular project pursuant to Section 17016.

**Education Code 81130**

(a) The Department of General Services under the police power of the state shall supervise the design and construction of any school building or the reconstruction or alteration of, or addition to, any school building, if not exempted under Section 81133, to ensure that plans and specifications comply with the rules and regulations adopted pursuant to this article and building standards published in Title 24 of the California Code of Regulations, and to ensure that the work of construction has been performed in accordance with the approved plans and specifications, for the protection of life and property. Nothing in this section shall be construed to allow a community college district to perform work with its own forces in excess of the limitations set forth in Article 41 (commencing with Section 20650) of Part 3 of Division 2 of the Public Contract Code.

(b) Whenever repairs due to fire damage must be made to any school building previously approved by the Department of General Services, the approved plans and specifications used in the original work under then existing rules, regulations, and building standards may be used without modification, providing all other provisions of this article are carried out.

**Requirement of governing board to adopt a resolution declaring intention to enter into lease or agreement**

**Education Code 17417**

After the governing board of a school district has complied with Section 17402, it shall, in a regular open meeting, adopt a resolution declaring its intention to enter into a lease or agreement pursuant to this article. The resolution shall describe, in any manner to identify it, the available site upon which the building to be used by the district shall be constructed, shall generally describe the building to be constructed and state that the building shall be constructed pursuant to the plans and specifications adopted by the governing board therefor, shall, if that is the case, state the minimum yearly rental at which the governing board will lease real property belonging to the district upon which the building is to be constructed, and shall state the maximum number of years for which the school district will lease the building or site and building, as the case may be, and shall state that the proposals submitted therefor shall designate the amount of rental,
which shall be annual, semiannual, or monthly, to be paid by the school district for the use of the building, or building and site, as the case may be. The resolution shall fix a time, not less than three weeks thereafter for a public meeting of the governing board to be held at its regular place of meeting, at which sealed proposals to enter a lease or agreement with the school district will be received from any person, firm, or corporation, and considered by the governing board. Notice thereof shall be given in the manner provided in Section 17469.

**Education Code 81344**

After the governing board of a community college district has complied with Section 81332, it shall, in a regular open meeting, adopt a resolution declaring its intention to enter into a lease or agreement pursuant to this article. The resolution shall describe, in such manner as to identify it, the available site upon which the building to be used by the district shall be constructed, shall generally describe the building to be constructed and state that the building shall be constructed pursuant to the plans and specifications adopted by the governing board therefor, shall, if such is the case, state the minimum yearly rental at which the governing board will lease real property belonging to the district upon which the building is to be constructed, and shall state the maximum number of years for which the community college district will lease the building or site and building, as the case may be, and shall state that the proposals submitted therefor shall designate the amount of rental, which shall be annual, semiannual, or monthly, to be paid by the community college district for the use of the building, or building and site, as the case may be. The resolution shall fix a time, not less than three weeks thereafter for a public meeting of the governing board to be held at its regular place of meeting, at which sealed proposals to enter such a lease or agreement with the community college district will be received from any person, firm, or corporation, and considered by the governing board. Notice thereof shall be given in the manner provided in Section 81368.

At the time and place fixed in the resolution for the meeting of the governing body, all sealed proposals which have been received shall, in public session, be opened, examined, and declared by the board. Of the proposals submitted which conform to all terms and conditions specified in the resolution of intention to enter a lease or agreement and which are made by responsible bidders, the proposal which calls for the lowest rental shall be finally accepted, or the board shall reject all bids. The board is not required to accept a proposal, or else reject all bids, on the same day as that in which the proposals are opened.

**Education Code 17424**

The governing board of the school district shall obtain the general prevailing rate of per diem wages from the Director of the Department of Industrial Relations for each craft, classification or type of workman needed for the construction of the building and shall specify in the resolution and in the notice, required by Section 17417, or in the resolution required by Section 17418 and in the lease or agreement made pursuant to this article, what the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality is for each craft, classification or type of workmen needed for the construction of the building. The holidays upon which such rate shall be paid need not be specified by the governing board, but shall be all holidays recognized in the collective bargaining agreement applicable to the particular craft, classification or type of workmen employed on the project.
Any agreement or lease entered into pursuant to this article shall require that such general prevailing rates will be paid. It shall also require that work performed by any workman employed upon the project in excess of eight hours during any one calendar day shall be permitted only upon compensation for all hours worked in excess of eight hours per day at not less than 112 times the basic rate of pay. There may also be included in leases or agreements entered into pursuant to this article any other requirements with respect to matters related to the subject of this section which the governing board deems necessary or desirable.

**Education Code 81350**
The governing board of the community college district shall obtain the general prevailing rate of per diem wages from the Director of the Department of Industrial Relations for each craft, classification or type of workman needed for the construction of the building and shall specify in the resolution and in the notice, required by Section 81344, or in the resolution required by Section 81345 and in the lease or agreement made pursuant to this article, what the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality is for each craft, classification or type of workmen needed for the construction of the building. The holidays upon which such rate shall be paid need not be specified by the governing board, but shall be all holidays recognized in the collective-bargaining agreement applicable to the particular craft, classification or type of workmen employed on the project.

Any agreement or lease entered into pursuant to this article shall require that such general prevailing rates will be paid. It shall also require that work performed by any workman employed upon the project in excess of eight hours during any one calendar day shall be permitted only upon compensation for all hours worked in excess of eight hours per day at not less than 112 times the basic rate of pay. There may also be included in leases or agreements entered into pursuant to this article any other requirements with respect to matters related to the subject of this section which the governing board deems necessary or desirable.
Date:

Tracy Minor, Assistant Director
Accounting and Financial Services
Division of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Room 215
Downey, CA 90242-2890

Per Bulletin No. _________, this is a notice that the district intends to enter into a lease and leaseback construction project. Attached please find the following

- The Board Resolution declaring its intention to enter into a Lease and Lease Back Agreement
- The DSA approval of the plans
- Soil Test Summary Report

Sincerely,

Chief Business Official
Attachment (Approved Emergency Resolution)
District

Resolution # __________

Adoption to enter into a Lease and Leaseback (LLB) Agreement for the ____________________ Project

WHEREAS, Section 17406/81336 of the Education Code of the State of California provides the district may let, for a minimum rental of one dollar ($1) a year, to any person, firm, or corporation any real property that belongs to the district if the instrument by which such property is let requires the lessee therein to construct on the demised premises, or provide for the construction thereon of, a building or buildings for the use of the district during the term thereof, and provides that title to that building shall vest in the district at the expiration of that term; and

WHEREAS, the district have complied with EC 17402/81332 and declare ___(site name and description)__________________ is the available site which the building will be constructed; and

WHEREAS, the building (name and describe building) will be constructed according to the plans and specifications approved pursuant to Sections 17280/81130; and

WHEREAS, minimum yearly rental is set at $________ until_______; and

WHEREAS, per EC 17424/81350, the general prevailing rate of per diem wages obtained from the Director of the Department of Industrial Relations for each type of workman needed for the construction of the building is $________, and the general prevailing rate for holiday and overtime work is $________. Work performed by any workman employed upon the project in excess of eight hours during any one calendar day shall be permitted at not less than 112 times the basic rate of pay; and

WHEREAS, the board has reviewed the LLB agreements; and

WHEREAS, the board has determined that the terms are in the best interest of the district ______(could describe specifics as to how the board got to this determination)___; and

BE IT FURTHER RESOLVED that the ____________________ District, declare its intention to enter into a lease and leaseback agreement with (builder) pursuant to Education Code 17406/81336.

PASSED AND ADOPTED by vote of the members of the Governing Board/Board of Trustees of

<table>
<thead>
<tr>
<th>District</th>
<th>Month/Day/Year</th>
<th>Number of members</th>
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<tr>
<td>AYES:</td>
<td>NOES:</td>
<td>ABSENT:</td>
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I, ____________________, Clerk/Secretary of the Governing Board hereby certify that the foregoing copy of the Resolution is true, full and complete copy of the Resolution passed by the governing board of ____________________ School District at a meeting held on the ____ day of ____________. 20___.

Signature: __________________________

Clerk/Secretary of the Governing Board

(Print Name)

Attachment 3
Info Bul. No. 3711
SFS-A35-2013-2014
January 13, 2014

TO: Business and Accounting Administrators
Los Angeles County K-12 Schools and Community College Districts
Other Local Educational Agencies

FROM: Nkeiruka Benson, Disbursement and Financial Systems Manager
Accounting and Financial Services
Division of School Financial Services


The purpose of this bulletin is to provide information on Assembly Bill (AB) 1565 and Public Contract Code (PCC) 20111.6.

Overview

Under existing law, Public Contract Code (PCC) Section 20111.5, a school district is permitted, but not required, to prequalify bidders on construction projects awarded by public bid under PCC 20111. There was no requirement to use the model prequalification forms published by the Department of Industrial Relations (DIR) for use by public agencies. The new law, Assembly Bill (AB) 1565, makes prequalification of bidders mandatory and requires that the standard questionnaire cover all the issues in the prequalification forms published by the DIR. AB 1565, which took effect on January 1, 2014, applies to bid projects:

- Undertaken by districts with average daily attendance (ADA) of more than 2,500;
- With estimated expenditures of $1 million or more; and
- When the project is funded, in whole, or in part, through School Facility Program or with state school bond funds.

New Required Procedures

AB 1565 (Chapter 808/2012) details the new procedures in PCC 20111.6, that require a standardized prequalification questionnaire and financial statement from bidders to be verified under oath by the bidders.

At a minimum, the questionnaire and a uniform system of rating bidders must address the issues covered by the standardized questionnaire and model guidelines for rating bidders developed by the DIR pursuant to PCC Section 20101, which can be found at [www.dir.ca.gov/OPRL/pqdb.doc](http://www.dir.ca.gov/OPRL/pqdb.doc).
Bidders include general contractors and mechanical, electrical, and plumbing (MEP) subcontractors. The list of prequalified MEP subcontractors must be made available at least five (5) business days before bid opening. General contractors must select from the list of the MEP subcontractors prequalified by the district.

The questionnaires and financial statements will not be public records or be open to public inspection. Districts are precluded from accepting bids from any bidder that has not been prequalified at least five (5) days prior to opening of the bids.

Districts may establish a process to prequalify prospective bidders on a quarterly or annual basis.

The questionnaire and uniform system of rating bidders will not preclude a district from prequalifying or disqualifying a subcontractor.

The link to the entire text of AB 1565 can be found at: http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_1551-1600/ab_1565_bill_20120130_introduced.pdf

District Action

Since AB 1565 will impact contracts entered into on or after January 1, 2014, districts should integrate prequalification into their procedures and have the processes in place. For those districts that have used prequalification and have developed their own forms, those forms should be reviewed to ensure that they satisfy the requirement to include issues covered by the DIR forms. School boards should take steps now to familiarize themselves with the new requirements and consult legal counsel to ensure their prequalification documents are drafted or revised appropriately to comply with the new law.

Required documentation to be presented to Commercial Claims to approve vouchers affected by AB 1565/PCC 20111.6

The Commercial Claims Unit document checklist will be updated to require Board adoption of the pre-qualification process and a listing of prequalified general and MEP subcontractors to ensure compliance with AB 1565/PCC 20111.5. and PCC 20111.6.

This bulletin and its attachment may be downloaded from the LACOE website at: www.lacoe.edu/sfs

On the SFS home page, under Resources, select Bulletins. Type in the bulletin number or keyword to find the specific bulletin you need to download.

If you have any questions regarding this bulletin, please contact Luz Spanks at (562) 922-6454 or Spanks_Luz@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

PS:lt
attachment
Info. Bul. No. 3742
SFS-A43-2013-2014
Ask SSC . . . Are School Districts Required to Prequalify Bidders for School Construction Projects?

Q. Our district is in the process of developing bid specifications for multiple construction projects. Are there new rules or procedures regarding the prequalification of bidders?

A. There are new prequalification rules for construction contracts beginning January 1, 2014. School districts with an average daily attendance of 2,500 or more will be required to follow new procedures when awarding construction contracts if:

   - The project has estimated expenditures of at least $1 million, and
   - The project is funded through the School Facility Program or any future state school bonds

Assembly Bill (AB) 1565 (Chapter 808/2012) details the new procedures in Public Contract Code, which require a standardized prequalification questionnaire and financial statement from bidders to be verified under oath by the bidders.

1. Bidders include general contractors and electrical, mechanical, and plumbing subcontractors. The questionnaires and financial statements will not be public records or be open to public inspection.
2. Districts may establish a process to prequalify prospective bidders on a quarterly or annual basis.
3. The questionnaire and uniform system of rating bidders will not preclude a district from prequalifying or disqualifying a subcontractor.

At a minimum, the questionnaire and a uniform system of rating bidders must cover the issues covered by the standardized questionnaire and model guidelines for rating bidders developed by the Department of Industrial Relations pursuant to Public Contract Code Section 20101, which can be found at www.dir.ca.gov/OPRL/pqdb.doc.

Although school districts already had the statutory authority to prequalify contractors, prior to the passage of AB 1565, they were not required to do so. Compliance with the law may increase administrative and legal costs, and add to the cost of school construction, modernization, and repair.

Districts may need to consult with legal counsel to ensure they are compliant with the new procedures.

—Maureen Evans and Brianna Garcia

Attachment to:
Info. Bul. No. 3742
SFS-A43-2013-2014
November 21, 2014

TO: Business Administrators  
Los Angeles County School and Community College  
Districts and Other Local Educational Agencies

FROM: Nkeiruka Benson  
Disbursement and Financial Systems Manager  
Accounting and Financial Services  
Division of School Financial Services

SUBJECT: LACOE Voucher Approval Panel

IMPORTANT INFORMATION

School Financial Services, Commercial Claims Unit, is pleased to announce that Accounts Payable users now have view access to LACOE Voucher Approval (New) panel in PeopleSoft. The LACOE Voucher Approval Panel is the panel used by Commercial Claims Unit to review vouchers on hold to either approve, deny, or release a voucher back to the district. Accounts Payable staff at the districts can now view online the status of their vouchers submitted to the Commercial Claims Unit. Access to the panel will provide districts with real time updated information on vouchers that are held for Audit or Amount Hold.

Please refer to the attachment on how to use this panel.

Download SFS Bulletins from LACOE Website

This bulletin and its attachment, as any other SFS bulletin, may be downloaded from the LACOE Website as follows:

http://www.lacoe.edu/sfs

On the SFS home page under SFS Resources, select Bulletins. Type in the bulletin number or keyword to find the specific bulletin you need to download.

If you have any questions in reference to this bulletin, please contact Gina Martino at (562) 922-6633 or Martino_Gina@lacoe.edu.

Approved:
Patricia Smith, Executive Director  
Business and Finance

NB: It
Attachment

SFS-A19-2014-2015
LACOE Voucher Approval Panel

The LACOE Voucher Approval Panel is the panel used by the Commercial Claims Unit to view vouchers on hold. There are two tabs, namely, Audit Code Hold and Amount Hold. The vouchers are arranged by Vendor Name. Other information includes Voucher ID, Accounting Date, District Approver ID and Gross Amount.

Actions by Commercial Claims Unit include Approve, Deny, or Release. Once an action has been taken on a voucher, the voucher will no longer be on hold and displayed on the panel. In order to check the approval status of a voucher after it has been removed from the LACOE Voucher Approval panel, the district may navigate to the Voucher Summary Panel.

Navigation:

Go – Administer Procurement – Enter Voucher Information
Inquire – LACOE Voucher Approval Status – (Audit Code Hold or Amount Hold)

Audit Code Hold Tab

- Displays Vouchers held for audit
- To see all vouchers, use the scroll bar located on the right side of the panel
- On the Suspense Register Report (LACSUR), these vouchers will have “AUD” Status
- On the Voucher Summary Panel, these vouchers will have a Commercial Claim Status of “Audit Hold”.

This is the Audit Code Hold tab. All vouchers displayed are on hold. Commercial Claims action buttons are Approved, Denied or Released. Use the scroll bar to see more vouchers.
Amount Hold Tab

- Displays voucher or vouchers on hold grouped by vendor.
- For vouchers to be on Amount Hold, the cumulative total amount of all vouchers by vendor must exceed the district’s threshold amount.
- To see the next vendor, use the outer scroll bar on the right side of the panel.
- On the Suspense Register Report (LACSUR), these vouchers will have “AMT” status.
- On the Voucher Summary Panel, these vouchers will have a Commercial Claim Status of “Amount Hold”.

This is the Amount Hold tab. Unlike the Audit Code Hold panel that displays all vouchers for all vendors, this panel groups vouchers by vendor showing one vendor at a time. Shown here are vouchers for vendor 000000107.

Clicking the scroll bar will take you to the next vendor 0000012042.
Commercial Claims Approval Status

- Hold – Voucher is on hold pending Commercial Claims Unit review.
- Approved – Voucher is approved for payment. Warrant is printed and delivered to the district the following business day.
- Release – Commercial Claims is unable to approve the voucher and releases it back to the district. The district should delete or close the voucher.
- Denied – The voucher is denied by Commercial Claims when it is determined that the voucher cannot be approved. The district should delete or close the voucher.
- Details - Clicking on this button will open the Voucher Detailed Charges to view the voucher’s distribution lines or account strings, specifically, the auditable Object Code.

Clicking on the “Details” button opens the Voucher Detailed Charges panel below. The district can view the Object Code that made the voucher auditable.

Voucher Summary Panel

- When a voucher has been approved, denied, or released, the voucher will no longer be displayed on the LACOE Voucher Approval Panel.

- Navigate to the Voucher Summary Panel, LACOE Approval, to look up the status of the voucher, the last Update Date, and the LACOE Approver ID.

From the LACOE Voucher Approval Panel, Voucher “TEST1” is approved.
Upon Approval Voucher “Test1” is no longer displayed on the panel.

To find out the status of the Voucher “TEST1”, navigate to the Voucher Summary Panel. Under LACOE Approval, approval status, date and approver ID, are indicated.
May 13, 2015

TO: Business Administrators  
Los Angeles County School and Community College Districts and Other Local Educational Agencies

FROM: Patricia Smith, Executive Director  
Business and Finance

SUBJECT: Commercial Claims Board Approval Documentation Requirement

**IMPORTANT INFORMATION**

The Education Code (EC) **42632/85232** mandates that each order drawn on the funds of a Local Educational Agency (LEA) be signed by at least a majority of the members of the governing board of the LEA, or by a person or persons authorized by the governing board to sign orders in its name. No person other than an officer or employee of the district shall be authorized to sign orders. The Los Angeles County Office of Education has established audit review objectives to ensure compliance with this mandate.

For Commercial Claims vouchers on “Audit” or “Amount” hold that require Board approval, LACOE requires the backup documentation to include an affirmation by a formal vote of the members of the school board authorizing the expenditure. **EC35163** states that “Every official action taken by the governing board of every school district shall be affirmed by a formal vote of the members of the Board, and the governing board of every school district shall keep minutes of its meetings, and shall maintain a journal of its proceedings in which shall be recorded every official act taken.”

The affirmation to be included with the backup documents can be in form of the minutes showing the vote or the actual board approval form signed by the secretary of the Board. LACOE requires the current Board members’ approval.

Therefore, when submitting back-up documentations to Commercial Claims Unit for vouchers that require Board approvals, districts need to ensure that the Board affirmations (approvals) are included and that they are current to avoid voucher processing delays.
Download SFS Bulletins from LACOE Website

This bulletin and its attachment, as any other SFS bulletin, may be downloaded from the LACOE Website as follows:

http://www.lacoe.edu/sfs

On the SFS home page, under SFS Resources select Bulletins. Type in the bulletin number or keyword to find the specific bulletin you need to download.

If you have any questions in reference to this bulletin, please contact Nkeiruka Benson at (562) 922-8874 or benson_nkeiruka@lacoe.edu

Approved:
Patsricia Smith, Executive Director
Business and Finance

NB:It

SFS-A69-2014-2015
August 26, 2015

TO: Business, Payroll and Personnel Administrators
Los Angeles County School and Community College Districts
Charter Schools and Other Local Educational Agencies

FROM: Patricia Smith, Executive Director
Business and Finance

SUBJECT: New Process for HRS Warrants Issued to Deceased Employees

This bulletin provides information on a new process for the handling of warrants issued to deceased employees.

Districts may be in possession of uncashed payroll warrants issued to deceased employees. Formerly, the process for disposing of such warrants involved an endorsement by SFS Legal Claims to a qualified beneficiary. Effective immediately, a new procedure will be implemented which allows the district more control in processing such warrants. The process for disposing of these warrants is pursuant to district verification of the following:

- Existence of a valid Warrant Recipient Designation form executed by the employee, or
- Submission of court letters of administration or letters of testamentary, or
- An affidavit allowing the release of funds to a spouse or beneficiary, and
- Proof of death.

An example of a Warrant Recipient Designation form is included as an attachment to this bulletin. Districts should encourage all employees to update this form every five years, or when a life change occurs.

NEW PROCEDURE

District Accounting/Payroll Units will now have the ability to enter vouchers for the appropriate amount payable to a qualified beneficiary. Districts wishing to re-issue wages to a beneficiary should perform the following steps:

- Secure uncashed “A” Warrant
- Produce a valid warrant recipient designation or other legal documentation permitting wage distribution to a beneficiary, as mentioned on the previous page.
- Prepare “B” Warrant voucher in PSFS representing net amount of original “A” warrant.
- Make note of original “A” Warrant number in voucher comment section.
- Charge expenditure 9601, Due for Employee Final Pay Liability Account.
- Submit documents and warrant to LACOE Legal Claims for verification before release.

Please note that Districts should not cancel “A” Warrant in HRS.

If you have questions, please contact the corresponding person:

<table>
<thead>
<tr>
<th>Subject Matter</th>
<th>Contact Person</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial Claims:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voucher approval</td>
<td>Gina Martino</td>
<td><a href="mailto:Martino_Gina@lacoe.edu">Martino_Gina@lacoe.edu</a></td>
</tr>
<tr>
<td><strong>Payroll:</strong></td>
<td></td>
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</tr>
<tr>
<td>Documentation verification</td>
<td>Gail Wiggan</td>
<td><a href="mailto:Wiggan_Gail@lacoe.edu">Wiggan_Gail@lacoe.edu</a></td>
</tr>
<tr>
<td><strong>Payroll:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HRS wage adjustments/tax liability</td>
<td>April Reynolds</td>
<td><a href="mailto:Reynolds_April@lacoe.edu">Reynolds_April@lacoe.edu</a></td>
</tr>
<tr>
<td></td>
<td>Roy Castillo</td>
<td><a href="mailto:Castillo_Roy@lacoe.edu">Castillo_Roy@lacoe.edu</a></td>
</tr>
</tbody>
</table>

Approved:
Patricia Smith, Executive Director
Business and Finance

PS:It
Attachment

SFS-A8-2015-2016
WARRANT(S) RECIPIENT DESIGNATION

Under the provisions of Section 53245 of the California Government Code, in the event of my death I hereby designate the following named person to be entitled to receive all warrants payable to me by the __________________ Unified School District had I survived:

Beneficiary Information

<table>
<thead>
<tr>
<th>TYPE OR PRINT FULL NAME OF DESIGNEE</th>
<th>RELATIONSHIP TO EMPLOYEE</th>
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<tbody>
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<table>
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<tr>
<th>ADDRESS (NUMBER, STREET, CITY, STATE AND ZIP CODE)</th>
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<tr>
<th>PHONE NUMBER</th>
<th>SOCIAL SECURITY NUMBER</th>
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Contingent Beneficiary Information

<table>
<thead>
<tr>
<th>IF THE BENEFICIARY NAMED ABOVE IS NOT LIVING THEN PAY:</th>
<th>RELATIONSHIP TO EMPLOYEE</th>
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</table>

<table>
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This designation cancels and replaces any previously signed by me for this purpose and shall remain in effect until cancelled in writing by me.

It is expressly understood and agreed that the __________________ Unified School District is not obligated to deliver said warrants to the person designated hereinafore unless said designated person, within two years after the date of said warrant or warrants, claims said warrants from the __________________ Unified School District and provides to said __________________ Unified School District sufficient proof of identity pursuant to the provisions of Section 53245 of California Government Code.

<table>
<thead>
<tr>
<th>TYPE OR PRINT FULL NAME OF EMPLOYEE</th>
<th>SIGNATURE OF EMPLOYEE</th>
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<td></td>
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</table>

<table>
<thead>
<tr>
<th>EMPLOYEE IDENTIFICATION NUMBER</th>
<th>DATE SIGNED</th>
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</table>

FORM NO ______

Attachment to:
Info. Bul. No. 4172
SFS-A8-2015-2016
September 18, 2015

TO:     Accounts Payable Administrators
        Purchasing, Business and Accounting Administrators
        Los Angeles County School K-12 and Community College Districts
        Regional Occupational Programs/Centers (ROP/Cs) and
        Other Local Education Agencies (LEAs)

FROM:  Terry Macalalad, Enterprise Financial Systems Consultant
        Accounting and Financial Services
        Division of School Financial Services (SFS)

SUBJECT: Voucher Attachment

The Los Angeles County Office of Education (LACOE) is pleased to offer the “Voucher Attachment” feature in the PeopleSoft Accounts Payable Module. This will allow district accounts payable staff to attach soft copy documents to vouchers.

The benefits of using this feature are:

- Facilitate receipt of documents by Commercial Claims resulting in a faster turnaround in the approval process.
- Eliminate Voucher Claim Request Form (Goldenrod) for submitting supporting documents.
- Approvers can view supporting documents online in one place.
- Supporting documents associated to vouchers are saved in PeopleSoft for fast and easy retrieval.
- Enhance both LACOE and District paperless initiative.

Voucher Attachment is available through a new tab in the Voucher Entry panels. Users will be allowed to attach and view Word, Excel, and PDF files only. Please refer to the attachment on how to use this new feature.
For all questions related to this bulletin or the attachment, please contact any of the following:

Raul Regalado   (562) 922-6167       Regalado_Raul@lacoe.edu
Carmen Dimayuga (562) 922-6862       Dimayuga_Carmen@lacoe.edu
Terry Macalalad (562) 922-6181       Macalalad_Terry@lacoe.edu

You may also email our group at SFSFastPayable@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

PS:lg
Attachment

SFS-A17-2015-16
Overview

This document is designed to give users an overview of the procedure to attach/view softcopy documents to a voucher.

The document is divided into 5 sections:

A. PeopleSoft File Security (Pages 1-3)
B. User Set-Up Requirements (Page 4)
C. Attaching Soft Copy Documents to Vouchers (Pages 5-13)
D. Viewing Attachments from the District Approval Panel (Pages 14-15)

A. PeopleSoft File Security

PeopleSoft File Security must be set to “Full Access” in order for users to attach files in PeopleSoft. First, log in to PeopleSoft. Then follow the instructions below based on the Operating System.

Windows 7 Users:

After log in, the following message will appear:

![File Security - Citrix online plug-in]

Click on Yes to allow PeopleSoft to copy files from your C drive.
**Windows XP Users:**

In the bottom right corner of the desktop, find the Program Neighborhood Connection Center icon (gray box with a red circle). Double Click the icon.

The following screen will appear. Click on File Security and make sure the settings are “Full Access” and “Never ask me again.”
Mac Users:

Find the Citrix online plug-in on the menu bar (top left corner). Click the Citrix online plug-in and choose Preferences.

In the preferences screen, click the Devices tab. Change the Read/Write option for “/Users/Computer Name (C:)” to Always.
B. User Setup Requirement

For security reasons, PeopleSoft has been programmed to only look at the C:\LACOE\ directory.

Windows 7 Users:

For windows users, the following steps must be completed before documents can be attached to vouchers:

1. Create a “LACOE” folder in the “C” drive.
2. Save documents to be attached to the C:\LACOE\ folder.
3. Only PDF (.pdf), Word (.doc), and/or Excel (.xls or.xlsx) files are attachable to the voucher. All other types of documents (example .jpg, .mp4) cannot be attached. (Note you can convert jpg image to a PDF file)

Mac Users:

The directory must be changed to C:\DOCUMENTS\LACOE\ in order for users to attach softcopy documents. Users will need to create a folder called “LACOE” inside the documents folder and save the softcopy documents in that folder.

Note: There is a 60 character file name limit. This limit includes the file extension. If the file exceeds the character limit, the file will not be attached.

Reminder: It is necessary to clean up your LACOE folder. Delete all files that have already been attached.
C. Attaching Soft Copy Documents to Vouchers in PeopleSoft

Documents can be attached to Vouchers via:

- PO Voucher Panel
- Standard Voucher Panel
- Express Voucher Panel
- Adjustment Panel
- Attach Documents Only Panel

**Important:** Attach documents before sending the voucher for district approval. This will prevent delays in processing the voucher and will provide your district approver an opportunity to review documents online.

Documents can only be attached to a voucher upon save.

Documents cannot be attached to, or removed from, vouchers with the following status:

1. Approved
2. Vouchers on Audit/Amount Hold
3. Paid
4. Closed

Vouchers on Audit/Amount Hold can be released back to the district by Commercial Claims if additional documents are needed. **To expedite voucher payments it’s important to attach all the required documents from the onset.**

Procedure for attaching documents from the PO Voucher, Standard, Express, and Adjustment Panels remain the same. Step 3 is not necessary for Standard, Express and Adjustment Panels since there are no attachments to be viewed from the PO and Requisition modules.

**Note:** Districts using the Peoplesoft Purchasing module should attach contract documents on the PO. Documents attached on the PO are easily viewable by Commercial Claims staff on any voucher referencing that contract or PO. For steps on how to attach documents to PO refer to bulletin **Bulletin 3710**
- **PO Voucher Panel**

  **Navigation:** Go → Administer Procurement → Enter Voucher Information  
  Use → PO Voucher → Header Information → Add

  a. **Create the voucher** by copying the PO/Receiver or using the PO/Receiver Worksheet. After the voucher has been saved, **click on the Attachment icon** located in the Header Information Tab. This action will take user to the Document Attachment Tab.

  ![PO Voucher Panel](image)

  b. **Click on the Save/Refresh Documents** button. Documents attached from the Purchase Order and Requisition Modules will be listed on the left column.

  ![Save/Refresh Documents](image)

  c. **Click on the list icon** (right column) to view documents attachable from the C:\LACOE\ directory

  ![List Icon](image)
d. **Click on the Attach box** of selected documents to attach.

![Image of Document Attachments in PeopleSoft - Vouchers]

- **Click on Save/Refresh documents** to save the attachments to the voucher.

![Image of Document Attachments in PeopleSoft - Vouchers]
Removing Attachments

1. To remove an attached document from a voucher, simply click on the Remove checkbox (see below) and then click the **Save/Refresh Documents** pushbutton to un-link the attachment(s) from the PO and Requisition. The panel will once again be updated accordingly.

Note: Once an attachment is removed from the voucher, the document will be un-linked and can be deleted/removed from the PO and/or Requisition Panel.
Voucher/ExpressVoucher Panel (for Non-PO Vouchers)

1. Create the voucher and save. Click on the Attachment icon located in the Header Information Tab.

2. Click on the list icon to display all documents available for attachment.

Reminder: Do not forget to attach the related contract and Purchase order.

3. Click on the Attach box of selected documents to attach.
4. Click on the Save/Refresh Documents. Selected attachments will move from the right to the left column.

5. On the Comments Tab, list down the name, e-mail and phone# of the district user Commercial Claims can contact for questions or additional documents.
**Attach Documents Only Panel (for Interface Districts)**

**Navigation:** Go → Administer Procurement → Enter Voucher Information  
Use → Attach Documents Only. Enter Voucher Number.

1. **To attach documents:** Click the documents icon to list all documents saved on the C:\LACOE\ folder.

2. **Click on the Attach box** to select documents for attachment.
3. **Click on the Save/Refresh Documents** button to attach documents to the voucher.

Notice that the documents moved from the right side of the panel to the left. This is an indication that the documents are now attached to the voucher.

4. **To remove documents from the voucher:** Click on the **Remove box** of the document to be removed.
5. Click on the Save/Refresh button to remove the document.
D. Viewing Attachments from the Voucher District Approval Panel

**Navigation:** Go → Administer Procurement → Enter Voucher Information → Voucher District Approval.

a. Click on the attachment icon to view documents attached to the voucher.
b. A new window opens. Click on the magnifying glass to view a document. Click on the View All icon to open all documents attached to the voucher.
November 6, 2018

TO:  Business and Accounting Administrators  
Los Angeles County K-12 Schools and Community College Districts and  
Other Local Educational Agencies

FROM:  Tracy Minor, Assistant Director  
Accounting and Financial Services  
Division of School Financial Services

SUBJECT:  Annual Certification of Signature Resolution 2019-20

The governing board of each school district and community college district is required to hold an annual organizational meeting according to Education Code Section 35143/72000 as follows:

- Within a 15-day period that commences with the date upon which a governing board member elected at that election takes office. In years when there are no regular elections conducted for governing board members, the organizational meeting shall be held during the same 15-day period on the calendar.

- Only a city board of education, whose members are elected in accordance with a city charter, are exempt from the above.

LACOE requires the Certification of Signatures Resolution to be approved at that meeting.

**ANNUAL CERTIFICATION OF SIGNATURE RESOLUTION SUBMISSION DUE DATES**

The annual Certification of Signatures is due to the Los Angeles County Office of Education (LACOE) as follows:

<table>
<thead>
<tr>
<th>Date Expiring</th>
<th>Date Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2018</td>
<td>December 17, 2018</td>
</tr>
<tr>
<td>May 31, 2019</td>
<td>May 17, 2019</td>
</tr>
<tr>
<td>June 30, 2019</td>
<td>June 14, 2019</td>
</tr>
<tr>
<td>July 31, 2019</td>
<td>July 17, 2019</td>
</tr>
<tr>
<td>August 31, 2019</td>
<td>August 16, 2019</td>
</tr>
</tbody>
</table>
NEW RESOLUTION REQUIRED FOR ANY CHANGE IN SIGNATURE AUTHORIZATIONS

When changes in signature authorizations occur before the expiration of the annual Resolution, the district must submit a new Resolution. The new Resolution will rescind all previous signature Resolutions. The Resolution should be signed by the Clerk of the Board, accompanied by the Board minutes. If the change is removing a signatory, a cover letter describing the change and the Board minutes will suffice.

REMOVE OR DEACTIVATE PEOPLESOFT OPERATOR APPROVING RIGHTS TO SIGNATORIES WHO ARE NO LONGER AUTHORIZED

At the same time, whenever changes in signature authorizations occur, a PeopleSoft Operator Security form (which can be obtained from our website) should be completed and submitted to the PeopleSoft Security Unit to request deactivation of the approving rights given to signatories who are no longer authorized. Please submit form to PeopleSoft Security Unit at SFSSecurity@lacoe.edu.

SIGNATURES ON EXPIRED CERTIFICATION

A signature on an expired Certification of Signatures Resolution will not be honored for purposes of approving voucher requests. If the resolution expires before the scheduled organizational meeting, please submit a letter requesting an extension to honor the signatures until a new resolution is approved within thirty (30) days after the expiration date.

Submit a cover letter, the Board Minutes, a copy of the approved Certification of Signature Resolution, and the adopted list of authorized district personnel with their delegated duties to:

   Tracy Minor, Assistant Director  
   Division of School Financial Services  
   Los Angeles County Office of Education  
   9300 Imperial Highway, Room 219  
   Downey, CA 90242-2890

This bulletin and its attachments are posted on the LACOE website at the following address:

   https://www.lacoe.edu/bulletins

The Certification of Signatures Resolution form may be accessed on the website: www.lacoe.edu/commercialclaims, select “Certification of Signatures” under “Documents & Forms”.
If sending the Certification of Signatures and letters by e-mail, please send to Spanks_Luz@lacoe.edu. Indicate District Name and Certification of Signatures 2018-2019 in the subject line. For any questions regarding this bulletin, contact Luz Spanks at (562) 922-6454.

Approved:
Patricia Smith, Executive Director
Business and Finance

TM:lg
Attachments

SFS-A26-2018-19
CERTIFICATION OF SIGNATURES

As clerk-secretary to the governing board of the above named district, I certify that the signatures shown below in Column 1 are the verified signatures of the members of the governing board. I certify that the signatures shown in Column 2 are the verified signatures of the person or persons authorized to sign notices of employment, contracts and orders drawn on the funds of the district. These certifications are made in accordance with the provisions of Education Code Sections:

**K-12 Districts:** 35143, 42632, and 42633

**Community College Districts:** 72000, 85232, and 85233

If persons authorized to sign orders as shown in Column 2 are unable to do so, the law requires the signatures of the majority of the governing board.

These approved signatures are valid for the period of: __________________ to __________________

In accordance with governing board approval dated __________________, 20 ______.

Signature __________________  Clerk (Secretary) of the Board

Typed Name __________________ Clerk (Secretary) of the Board

### Column 2

Signatures of Personnel and/or Members of Governing Board authorized to sign Orders for Salary or Commercial Payments, Notices of Employment, and Contracts:

<table>
<thead>
<tr>
<th>Signature</th>
<th>Initials</th>
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<tbody>
<tr>
<td>Typed Name</td>
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</table>

**President of the Board of Trustees/Education**

<table>
<thead>
<tr>
<th>Signature</th>
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**Clerk/Secretary of the Board of Trustees/Education**

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**Member of the Board of Trustees/Education**

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<tbody>
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<td></td>
</tr>
</tbody>
</table>

If the Board has given special instructions for signing warrants or orders, please attach a copy of the resolution to this form.

**FORM NO. 503-804 Rev. 10-10-2013**
CERTIFICATION OF SIGNATURES RESOLUTION

Date:

Tracy Minor
Assistant Director
Accounting and Financial Services
Division of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Room 219
Downey, CA 90242-2890

Per LACOE Bulletin #4908, attached is the Certification of Signatures Resolution expiring on ___________ which was approved during our organizational meeting on ____________.

If you have any questions, please contact, (Name and title of district representative) at (Phone number), and (e-mail address).

Sincerely,

District Representative
Title and Division
REQUEST FOR EXTENSION OF THE
CERTIFICATION OF SIGNATURES RESOLUTION

Date:

Tracy Minor
Assistant Director
Accounting and Financial Services
Division of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Room 219
Downey, CA 90242-2890

Per LACOE Bulletin #4908, this is a request to honor the Certification of Signatures Resolution which expired on ______ until a new resolution is approved on our next organizational meeting scheduled on _____________.

A copy of the new approved Certification of Signatures Resolution will be sent to you after the organizational meeting.

If you have any questions, please contact, (Name and title of district representative) at (Phone number), and (e-mail address).

Sincerely,

District Representative
Title and Division
NOTICE OF REVISION/AMENDMENT ON THE CERTIFICATION OF SIGNATURES

Date:

Tracy Minor
Assistant Director
Accounting and Financial Services
Division of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Room 219
Downey, CA 90242-2890

Per LACOE Bulletin 4908, this is a notice of revision in our current Certification of Signatures Resolution.

Effective ___________, (describe changes). Enclosed is the revised Certification of Signatures Resolution signed by the Secretary of the Board and the approved minutes for the revision.

If you have any questions, please contact, (Name and title of district representative) at (Phone number), and (e-mail address).

Sincerely,

District Representative
Title and Division
January 5, 2016

TO: Business Administrators
Los Angeles County School and Community College Districts
and Other Local Educational Agencies

FROM: Tracy Minor, Assistant Director
Accounting and Finance Services
Division of School Financial Services

SUBJECT: County Approval Process of Emergency Resolutions Requests

The purpose of this bulletin is to provide information regarding the County approval process of Emergency Resolution Requests.

Legal Provision

In emergency situations, the Public Contract Code (PCC) contains a provision for public agencies to enter into contracts for public work projects without competitive bidding when the total cost exceeds $15,000. Public Contract Code Sections 20113 (school districts) and 20654 (community college districts) read as follows:

(a) In an emergency when any repairs, alterations, work, or improvement is necessary to any facility of public schools to permit the continuance of existing school classes, or to avoid danger to life or property, the board may, by unanimous vote, with the approval of the county superintendent of schools, do either of the following:

   (1) Make a contract in writing or otherwise on behalf of the district for the performance of labor and furnishing of materials or supplies for the purpose without advertising for or inviting bids.
   (2) Notwithstanding PCC Section 20114, authorize the use of day labor or force account for the purpose.

(b) Nothing in this section shall eliminate the need for any bonds or security otherwise required by law.
Definition of Emergency

Public Contract Code Section 1102 describes emergencies as follows:

“Emergency,” as used in this code, means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life health, property, or essential public services.

The following are the requirements to permit our office to approve payments under emergency conditions:

1. An Emergency Resolution unanimously approved by the governing board (Attachment 1) must be forwarded to our office with a cover letter (Attachment 2) requesting approval of the county superintendent of schools to waive the competitive bidding requirement under PCC Section 20113 (school districts) and Section 20654 (community college districts). In all situations, the definition of emergency as defined by PCC Section 1102 must be met. The request should describe facts showing the need for repairs and justifying an emergency exist, e.g., “The boiler at Anywhere Elementary School exploded on December 9, 2005, during the winter break and must be replaced. Classes will resume in 4 days. The superintendent reports that existing classes will not be able to continue without an immediate repair of the boiler.” The request should also include the district’s best estimate of the total expenditures needed to correct the emergency and, when known, the name(s) of the vendor(s) contracted with for the repairs/alterations.

2. When the nature of the emergency is such that corrective action is required before the regular scheduled governing board meeting, and the estimated cost exceeds the competitive bidding limit, you may secure the county office’s conditional approval to proceed by submitting information relevant to the emergency to our office in letter form (Attachment 3) by e-mail to Minor_Tracy@Lacoe.edu. The district’s governing board members must approve the emergency repairs. We will review the information and respond to you quickly. Once approved, an electronic copy is sent to the district. A copy of the formal resolution adopted by the governing board must still be sent to our office.

3. Once LACOE approves an emergency waiver, a copy of the approved resolution will be sent to the district as confirmation. The resolution number should be referred to or a copy of the approved emergency resolution should be submitted as supporting documentation for all payment requests related to the emergency resolution.

CUPCCAA Districts do not have to submit an Emergency Resolution request to LACOE

Districts who have elected to be subject to the California Uniform Public Construction Cost Accounting Act (Pub. Contract Code Section 22000, et seq., “CUPCCAA”), do not have to submit an Emergency Resolution Request to LACOE for approval. Emergency work of $175,000 or more and as defined in PCC 22035 must be done pursuant to the terms of PCC Section 22050(a).
(1) In the case of an emergency, a public agency, pursuant to a four-fifths vote of its governing body, may repair or replace a public facility, take any directly related and immediate action require by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.

(2) Before a governing body takes any action pursuant to paragraph (1), it shall make a finding, based on substantial evidence set forth in the minutes of its meeting, that the emergency will not permit a delay resulting from a competitive solicitation for bids and that the action is necessary to respond to the emergency.

An emergency waiver does not eliminate the need for any bonds or security otherwise required by law.

A retention of not less than 5 percent is required for progress payments on public works projects exceeding $5,000 per PCC Section 9203(a) “Payment on any contract with a local agency for the creation, construction, alteration, repair, or improvement of any public structure, building, road, or other improvement, of any kind which will exceed in cost a total of five thousand dollars ($5,000), shall be made as the legislative body prescribes upon estimates approved by the legislative body, but progress payments shall not be made in excess of 95 percent of the percentage of actual work completed plus a like percentage of the value of material delivered on the ground or stored subject to, or under the control of, the local agency, and unused. The local agency shall withhold not less than 5 percent of the contract price until final completion and acceptance of the project. However, at any time after 50 percent of the work has been completed, if the legislative body finds that satisfactory progress is being made, it may make any of the remaining progress payments in full for actual work completed.”

A payment bond per Civil Code Section 9550 will be required if the contract amount for public works exceeds $25,000 before performance of the work.

Please be advised that Emergency Resolution may not be considered for major construction and/or modernization projects unless they meet the criteria of the PCC Sections 1102, 20113 and 20654.

This bulletin and its attachments are posted at the Web site of the Los Angeles County Office of Education (LACOE), at the following address:

www.lacoe.edu/bulletins

Should you have any questions regarding the bulletin, please contact Luz Spanks at (562) 922-6454 or by e-mail at Spanks_Luz@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

TM:It
Attachments
SFS-38-2015-2016
GOVERNING BOARD RESOLUTION FOR EMERGENCY RESOLUTION - PUBLIC PROJECT

On Motion of Member _________________________, seconded by Member _________________________,
the following resolution is adopted by the Governing Board of the _________________________ District:

WHEREAS, __________________________________________; and
WHEREAS, __________________________________________; and
WHEREAS, __________________________________________; AND

WHEREAS, Public Contract Code Section 20113 (school districts) or 20654 (community college districts) provides that public agencies may, with the unanimous approval of the governing board and approval of the county superintendent of schools, contract for the performance of labor and purchase of materials without advertising for or inviting bids in an emergency when such work is necessary to permit the continuance of existing school classes or to avoid danger to life and property;

THEREFORE, BE IT HEREBY RESOLVED, That the Governing Board of the _________________________ District has determined that these circumstances constitute an emergency condition and request approval from the county superintendent of schools to enter into contracts for:

without advertising or inviting bids pursuant to Public Contract Code Section 20113 (school districts) or 20654 (community college districts.)

PASSED AND ADOPTED by unanimous vote of the members of the Governing Board of the

DISTRICT MONTH/DAY/YEAR NUMBER OF VOTES ESTIMATED COST*

With the approval of the County Superintendent of Schools, the Board will

☐ Make a contract for the performance of labor and furnishing of materials or supplies, or
☐ Authorize the use of day labor or force account.**

AYES: NOES: ABSENT:

STATE OF CALIFORNIA COUNTY OF LOS ANGELES SS

I, _______________________ Clerk/Secretary of the Governing Board of the _________________________ District, do hereby certify that the foregoing is a full, true, and correct copy of a resolution adopted by the said Board at a regularly called and conducted meeting held on said date.

______________________________ Clerk/Secretary of the Governing Board

*Civil Code Section 9550 (Public works projects of $25,000 or more would require a payment bond.)
**Community College Districts subject to limitations of PCC 20655; K-12 School Districts subject to limitations of PCC 20114; CUPCCA Districts subject to PCC 22050
EMERGENCY RESOLUTION REQUEST

In accordance with Public Contract Code Section 20113 for school districts or 20654 for community college districts, your district meet the requirements pursuant to the Public Contract Code, unanimously resolved by vote of all members present, and constituting a quorum, that an emergency exists wherein certain repairs, alterations, works or improvements are necessary to permit the continuance of existing school classes, or to avoid danger to life and property as described in Resolution No. ________________ dated _______________________.

Approved by the County Superintendent of Schools

______________________________
BY (DEPUTY)

______________________________
DATE SIGNED
SAMPLE LETTER
(After governing board approval)

Date:

Tracy Minor, Assistant Director
Accounting and Financial Services
Division of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Room 215
Downey, CA 90242-2890

Emergency Resolution Request - Governing Board Approval

In accordance with Public Contract Code Sections 1102, 20113 (school districts) / 20654 (community college districts), our district is seeking the approval of the County Office of Education to waive the requirement for competitive bids as a result of the following emergency condition(s):

[Description of emergency, including scope of work, cost estimate, and statement to indicate the effect of the emergency with regard to “permitting the continuance of existing school classes or to avoid danger to life or property.”]

Our Governing Board met on (date of governing board meeting) and unanimously adopted the attached emergency waiver resolution.

A payment bond will be furnished before allowing the performance of any public project work costing more that $25,000.

Please contact (Name and title of district representative) at (Phone number), or (e-mail address) if additional information is needed.

Sincerely,

Chief Business Official
Attachment (Approved Emergency Resolution)
Date:

Tracy Minor, Assistant Director  
Accounting and Financial Services  
Division of School Financial Services  
Los Angeles County Office of Education  
9300 Imperial Highway, Room 2195  
Downey, CA 90242-2890

Emergency Resolution Request - Preliminary Approval

Our governing board has approved an emergency related to:

[Description of emergency, including scope of work, cost estimate, and statement to indicate the effect of the emergency with regard to “permitting the continuance of existing school classes or to avoid danger to life or property.” As provided for under Public Contract Code Sections 1102 and 20113 (school districts) or 20654 (community college districts)].

Your concurrence is needed for the district to proceed. A payment bond will be furnished before allowing the performance of any public work costing more than $25,000.

A formal resolution will be acted upon by our governing board on (date of governing board meeting) and a copy will be sent to you so that the formal approval from the County Superintendent of Schools may be considered and granted.

Please contact (Name and title of district representative) at (Phone number), or (e-mail address) if additional information is needed.

Sincerely,

Chief Business Official  
Attachment

Attachment No. 3  
Info. Bul. No. 4267  
SFS-38-2015-2016
January 11, 2016

TO:           Accounts Payable Administrators
              Purchasing, Business and Accounting Administrators
              Los Angeles County School K-12 and Community College
              Districts Regional Occupational Programs/Centers (ROP/Cs) and
              Other Local Educational Agencies(LEA)

FROM:   Gina Martino, Senior Accountant
          Commercial Claims Unit
          Division of School Financial Services

SUBJECT:  Electronic Voucher Request Claim Form

The Los Angeles County Office of Education’s (LACOE) Division of School Financial Services (SFS) is pleased to announce the availability of the Electronic Voucher Request Claim (EVRC) Form. Similar to the current hard copy form (Goldenrod), this form is to be used for documents submitted via email. By using the form, required document(s) sent for vouchers on Audit or Amount Hold are automatically routed to the district’s Commercial Claims primary contact or alternate.

Recently, SFS implemented Voucher Attachment in PeopleSoft. This form is not intended to replace the Voucher Attachment feature, but is merely another option to submit documentation.

Several districts have been involved in the pilot exercise and are currently submitting documents via email using the EVRC form. If your district would like to begin using this method, please contact Gina Martino at Martino_Gina@lacoe.edu or (562) 922-6633 for instructions and set up.

Please refer to the attachment for sample of form.

Approved:
Patricia Smith, Executive Director
Business and Finance

GM:It
Attachment

### LACOE - VOUCHER CLAIM REQUEST FORM

DIVISION OF SCHOOL FINANCIAL SERVICES
COMMERCIAL CLAIMS SECTION

<table>
<thead>
<tr>
<th>Contract/PO No.</th>
<th>Business Unit Number/District Name</th>
<th>Object Code</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Payment Type**
- [ ] Construction
- [ ] Supplies/Equipment
- [ ] Consultant/Services
- [ ] Food
- [ ] Lease/Rental
- [ ] Other

<table>
<thead>
<tr>
<th>PAYEE</th>
<th>Vendor ID</th>
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<tbody>
<tr>
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[Enter PO Numbers here for multiple POs]

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<thead>
<tr>
<th>PO No.</th>
<th>Voucher No.</th>
<th>Voucher Amt.</th>
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**District Contact Name**

<table>
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<tr>
<th>Phone No</th>
<th>E-mail</th>
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</table>

Attach supporting information for audit of the above claim for payment

**Notes**

- [ ] Click to view Documentation Guide and Checklist

COMMERCIAL CLAIMS ONLY
January 18, 2019

TO: Business and Accounting Administrators
    Purchasing and Contract Officers
    Los Angeles County K-12 Schools and Community College Districts

FROM: Nkeiruka Benson, Disbursement and Financial Systems Manager
      Accounting and Financial Services
      Division of School Financial Services

SUBJECT: COMPETITIVE BID LIMIT INCREASE TO $92,600

Public Contract Code (PCC) Section 20111(a) for school districts and Section 20651(a) for community college districts, respectively, require district governing boards to competitively bid before awarding any contract involving an expenditure of more than $50,000 for:

1. Purchase of equipment, materials, or supplies to be furnished, sold, or leased to the school district.
2. Services that are not construction services.
3. Repairs, including maintenance as defined in PCC Section 20115, that are not public projects as defined in PCC Section 22002(c).

The State Superintendent of Public Instruction (SSPI) is required to annually adjust the $50,000 amount to reflect the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services. The inflation amount is rounded to the nearest one hundred dollars ($100).

Pursuant to the above calculation, effective January 1, 2019, the SSPI has determined that the inflation adjusted bid threshold will increase by $2,400 from $90,200 to $92,600. Shown below are the inflation adjusted bid thresholds for the current and two prior years:

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Bid Threshold</th>
<th>Percent Change in Implicit Price Deflator</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2017</td>
<td>$88,300</td>
<td>.63%</td>
</tr>
<tr>
<td>January 1, 2018</td>
<td>$90,200</td>
<td>2.20%</td>
</tr>
<tr>
<td><strong>January 1, 2019</strong></td>
<td><strong>$92,600</strong></td>
<td><strong>3.40%</strong></td>
</tr>
</tbody>
</table>
January 18, 2019
COMPETITIVE BID LIMIT INCREASE TO $92,600
Page 2

The $15,000 threshold for construction contracts under the PCC remains unchanged. The link to the CDE correspondence is https://www.cde.ca.gov/fg/ac/co/bidthreshold2019.asp.

For districts that adopted the CUPCCAA (California Uniform Public Construction Cost Accounting Act), limits have changed as follows:

<table>
<thead>
<tr>
<th>Code Section</th>
<th>Requirement</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCC 22032(a)</td>
<td>No bid requirements. May be performed by employees of a public agency</td>
<td>$60,000 or less</td>
</tr>
<tr>
<td>PCC 22032(b)</td>
<td>Informal bid procedures (PCC 22034)</td>
<td>$200,000 or less</td>
</tr>
<tr>
<td>PCC 22032(c)</td>
<td>Formal bidding procedure</td>
<td>Over $200,000</td>
</tr>
</tbody>
</table>

**Commercial Claims – Amount Hold**

The amount hold threshold for all districts will automatically be increased to $92,600 effective January 1, 2019.

Please contact Luz Spanks at (562) 922-6454 or e-mail Spanks_Luz@lacoe.edu or Amy Honculada at (562) 922-6633 or e-mail Honculada_Amy@lacoe.edu if you have any questions regarding this bulletin.

Approved:
Patricia Smith, Executive Director
Business and Finance

NB:lt
Attachment

SFS-A40-2018-2019
20111.

a) The governing board of any school district, in accordance with any requirement established by that governing board pursuant to subdivision (a) of Section 2000, shall let any contracts involving an expenditure of more than fifty thousand dollars ($50,000) for any of the following:
   1) The purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district.
   2) Services, except construction services.
   3) Repairs, including maintenance as defined in Section 20115, that are not a public project as defined in subdivision (c) of Section 22002.

The contract shall be let to the lowest responsible bidder who shall give security as the board requires, or else reject all bids.

b) The governing board shall let any contract for a public project, as defined in subdivision (c) Section 22002, involving an expenditure of fifteen thousand dollars ($15,000) or more, to the lowest responsible bidder who shall give security as the board requires, or else reject all bids. All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder’s security:
   1) Cash.
   2) A cashier’s check made payable to the school district.
   3) A certified check made payable to the school district.
   4) A bidder’s bond executed by an admitted surety insurer, made payable to the school district.

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the school district beyond 60 days from the time the award is made.

c) This section applies to all equipment, materials, or supplies, whether patented or otherwise, and to contracts awarded pursuant to subdivision (a) of Section 2000. This section shall not apply to professional services or advice, insurance services, or any other purchase or service otherwise exempt from this section, or to any work done by day labor or by force account pursuant to Section 20114.

d) Commencing January 1, 1997, the Superintendent of Public Instruction shall annually adjust the dollar amounts specified in subdivision (a) to reflect the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the prior fiscal year. The annual adjustments shall be rounded to the nearest one hundred dollars ($100).
20651.

a) The governing board of any community college district shall let any contracts involving an expenditure of more than fifty thousand dollars ($50,000) for any of the following:
   1) The purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district.
   2) Services, except construction services.
   3) Repairs, including maintenance as defined in Section 20656, that are not a public project as defined in subdivision (c) of Section 22002.
   The contract shall be let to the lowest responsible bidder who shall give security as the board requires, or else reject all bids.

b) The governing board shall let any contract for a public project, as defined in subdivision (c) of Section 22002, involving an expenditure of fifteen thousand dollars ($15,000) or more to the lowest responsible bidder who shall give security as the board requires, or else reject all bids. All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder’s security:
   1) Cash.
   2) A cashier’s check made payable to the community college district.
   3) A certified check made payable to the community college district.
   4) A bidder’s bond executed by an admitted surety insurer, made payable to the community college district.
   Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the district beyond 60 days from the time the award is made.

c) This section applies to all equipment, materials, or supplies, whether patented or otherwise. This section shall not apply to professional services or advice, insurance services, or any other purchase or service otherwise exempt from this section, or to any works done by force account pursuant to Section 20655.

d) Commencing January 1, 1997, the Board of Governors of the California Community Colleges shall annually adjust the dollar amounts specified in subdivision (a) to reflect the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the prior fiscal year. The annual adjustments shall be rounded to the nearest one hundred dollars ($100).
January 28, 2016

TO: Business and Accounting Administrators
Los Angeles County K-12 School and Community College Districts, and
Other Local Educational Agencies

FROM: Nkeiruka Benson, Disbursement and Financial Systems Manager
Accounting and Financial Services
Division of School Financial Services

SUBJECT: Commercial Claims Processing Update– Requests for Global Vendor Set Up and Changes

Purpose and Background

This bulletin announces the addition of Financial Aid to the type of payments exempt from audit and
amount hold for global vendors.

Global Vendor Designation

A global vendor is a vendor who is exempt from audit and amount hold. Vendors can be established as
Global Vendors for any of the following payments with the fund/object combination:

<table>
<thead>
<tr>
<th>Type of Payment</th>
<th>Fund Code</th>
<th>Object Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fringe Benefits</td>
<td>All Funds</td>
<td>3400-3499/3700-3799</td>
</tr>
<tr>
<td>Fringe Benefits Offsetting Accounts</td>
<td>All Funds</td>
<td>9525-9589</td>
</tr>
<tr>
<td>Utilities</td>
<td>All Funds</td>
<td>5500-5539/5550-5599/5900-5999</td>
</tr>
<tr>
<td>Employee Benefits (Self Insurance Funds)</td>
<td>67.x</td>
<td>5800-5899</td>
</tr>
<tr>
<td>Associated Student Trust Fund</td>
<td>71.x</td>
<td>5800-5899</td>
</tr>
<tr>
<td>Financial Aid (New)</td>
<td>74.0 (New)</td>
<td>7530/7531/7550 (New)</td>
</tr>
<tr>
<td>Withholding/Payroll Liabilities</td>
<td>76.0</td>
<td>9511-9518</td>
</tr>
</tbody>
</table>

To ensure vouchers for global vendors are not held up, the vendor code used should be classified as global
and the account string an allowable fund/object combination.

Procedures and Required Documentation to Request Global Vendor Set Up

1. District sets up the vendor in the PeopleSoft Financial System (PSFS) with a classification of “Supplier”
   (S) or other applicable classification in the vendor set-up panel.
2. District completes Form G1 - Request for Global/Exempt Vendor Set Up (Attachment 1).
3. An authorized signatory signs the form and district sends the completed Form G1 to SFS,
   Commercial Claims Unit, together with a copy of a bill or letter from the vendor showing the address
   and the vendor name as shown in Form G1 as documentation.
4. Upon approval by SFS, the approved form with the signatures will be sent back to the district.
Important

Once the vendor classification is global, the district cannot change any vendor information (i.e. address) in their system. Changes to a global vendor should only be done through SFS by submitting a Form G2 – Request for Action on Global/Exempt Vendor (Attachment 2) to the Commercial Claims Unit.

Interfacing districts should not change any information of a global vendor via the interface process. Doing so will automatically reverse the vendor Global classification to “Supplier” and vouchers will not be exempt from audit or amount hold.

Procedures and Required Documentation for Changes to a Global Vendor

1. District completes Form G2 indicating the type of change requested. Although the form shows multiple types of change, fill out one form for each type of change.
2. An authorized signatory signs the form and district forwards the completed form to SFS, Commercial Claims Unit, together with a copy of a bill or letter from the vendor showing the new address or the new vendor name as requested in Form G2.
3. Upon approval, the form will be sent back to the district.

Procedures and Required Documentation for a Global Exempt/EFT Vendor Set Up

There are two stages in setting up for EFT payment – Associate and Confirm.

Associate

1. Vendor has to fill out Form 503-913 Electronic Funds Transfer (EFT) Payment Enrollment (Attachment 3).
2. Upon receipt of completed Form 503-913, authorized district personnel will “Associate” the bank to the vendor and create a 4-digit Bank Account Identification in the process.
3. District completes Form G3 - Request for Action on Global/Exempt EFT Vendors (Attachment 4) and check off the “Associate” box.
4. An authorized signatory signs the form and district forwards the completed Form G3 to SFS, Commercial Claims Unit, together with a copy of completed 503-913.
5. When approved by SFS, the approved form will be sent back to the district.

Confirm

6. When the district receives the approved “Associate” request, the district will complete another Form G3 (Attachment 4), this time checking off the “Confirm” box.
7. The completed form should be signed by an authorized signatory and sent to SFS, Commercial Claims Unit, together with the approved “Associate” form.
8. When approved by SFS, the form with approving signatures will be sent back to the district.
9. After confirmation, the EFT setup for the global vendor is complete.
Procedures and Required Documentation to change a bank account on Global Exempt/EFT Vendor

The procedures to change a bank account are the same as the procedures in setting up EFT payment, except the district will check off the “Change” box in Form G3 (Attachment 4).

The global vendor forms may be accessed on the website: www.lacoe.edu/commercialclaims, select appropriate form under “Documents & Forms”.

Should you have any questions regarding the bulletin, please contact Luz Spanks at (562) 922-6454 or by e-mail at spanks_luz@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

NB:lg
Attachments

SFS-43-2015-16
Division of School Financial Services
REQUEST FOR GLOBAL/EXEMPT VENDOR SET-UP
(Form G1)

<table>
<thead>
<tr>
<th>DATE</th>
<th>DISTRICT NUMBER</th>
<th>DISTRICT NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VENDOR ID</th>
<th>VENDOR NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please establish the above vendor as Global/Exempt: *(Provide exact description as entered in PeopleSoft)*

<table>
<thead>
<tr>
<th>NAME 1</th>
<th>NAME 2</th>
<th>SHORT NAME</th>
<th>ADDRESS 1</th>
<th>ADDRESS 2</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Vendors may be established as Global **ONLY** for payment of any of the following *(Choose one)*:

<table>
<thead>
<tr>
<th>Type of Payment</th>
<th>Fund Code</th>
<th>Object Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fringe Benefits</td>
<td>All Funds</td>
<td>3400-3499/3700-3799</td>
</tr>
<tr>
<td>Fringe Benefits Offsetting Accounts</td>
<td>All Funds</td>
<td>9525-9589</td>
</tr>
<tr>
<td>Utilities</td>
<td>All Funds</td>
<td>5500-5539/5550-5599/5900-5999</td>
</tr>
<tr>
<td>Employee Benefits (Self Insurance Funds)</td>
<td>67.x</td>
<td>5800-5899</td>
</tr>
<tr>
<td>Associated Student Trust Fund</td>
<td>71.x</td>
<td>5800-5899</td>
</tr>
<tr>
<td>Financial Aid</td>
<td>74.0</td>
<td>7530/7531/7550</td>
</tr>
<tr>
<td>Withholding/Payroll Liabilities</td>
<td>76.0</td>
<td>9511-9518</td>
</tr>
</tbody>
</table>

**Printed Name and Title of Authorized Signatory**

**District Authorized Signature**

**District Contact Name**

**District Section/Contact Number**

**District Contact Email Address**

---

**For Commercial Claims Unit use only**

<table>
<thead>
<tr>
<th>PROCESSED BY</th>
<th>SIGNATURE</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**For HRS-Operations Unit use only**

<table>
<thead>
<tr>
<th>PROCESSED BY</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Date Sent to District**

---

Send completed form with proof of vendor name and address (i.e. letter or bill from vendor) to:

Division of School Financial Services Commercial Claims Unit
Los Angeles County Office of Education
9300 Imperial Highway, Downey, CA 90242
Fax: (562) 922-6365
Los Angeles County Office of Education  
Division of School Financial Services  
REQUEST FOR ACTION ON GLOBAL/EXEMPT VENDORS  
(Form G2)  

Date: ________________

<table>
<thead>
<tr>
<th>DISTRICT NUMBER</th>
<th>DISTRICT NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>VENDOR ID</td>
<td>VENDOR NAME</td>
</tr>
</tbody>
</table>

A. ☐ Inactivate Vendor  
Effective Date: ________________

B. ☐ Vendor Name Change  
From | To
--- | ---
Name 1:  
Name 2:  
Alternate Name:  
Short Name:  

C. Vendor Address Change  
For Address#: ________________

☐ Inactivate Address  
☐ Change Address  
☐ Add Address  
From | To
--- | ---
Address 1:  
Address 2:  
Address 3:  
Address 4:  
State, ZIP Code:  

D. Other Changes  
From | To
--- | ---
☐ Payment Terms  
☐ Other (Please describe)  

PRINTED NAME AND TITLE OF AUTHORIZED SIGNATORY  
DISTRICT AUTHORIZED SIGNATURE  
DATE

DISTRICT CONTACT NAME  
DISTRICT SECTION/CONTACT NUMBER  
DISTRICT CONTACT EMAIL ADDRESS

For Commercial Claims Unit use only:  
PROCESSED BY  
SIGNATURE  
DATE

APPROVED BY ASST. DIRECTOR-ACCOUNTING DESIGNEE  
SIGNATURE  
DATE

Send completed form with proof of vendor name and address (i.e. letter or bill from vendor) to:  
Division of School Financial Services Commercial Claims Unit  
Los Angeles County Office of Education  
9300 Imperial Highway, Downey, CA 90242  
Fax: (562) 922-6365
**Electronic Funds Transfer (EFT) Payment Enrollment Form**

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment related information processed through the PeopleSoft Financial System by the Los Angeles County Office of Education. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion.

---

**PRIVACY ACT STATEMENT**

The following information is provided to comply with Privacy Act of 1974. All information collected on this form is required under the provision of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Los Angeles County Office of Education to transmit payment data, by electronic file transfer to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

---

**ACCOUNT VALIDATION**

For the purpose of EFT payments, vendors are requested to ensure the account specified on this enrollment form remains active. Vendors shall notify the appropriate party(s) for any changes related to the ability of the specified account to receive ACH payment.

---

- **Vendors complete Sections I and II.**
- **Financial Institutions complete Section III.**
- **Local Educational Agencies complete Section IV.**

**Section I - Please check appropriate box(es).**

- [ ] New EFT Account
- [ ] Change in Bank Account or Mailing Address or Contact
- [ ] Delete EFT Account

**Section II**

**PAYEE/COMPANY INFORMATION**

<table>
<thead>
<tr>
<th>NAME OF PAYEE/COMPANY</th>
<th>FEIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADDRESS OF PAYEE/COMPANY (NUMBER, STREET, CITY, STATE, AND ZIP CODE)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NAME OF CONTACT PERSON</th>
<th>TELEPHONE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>( )</td>
<td></td>
</tr>
</tbody>
</table>

I hereby authorize the Los Angeles County Office of Education to initiate credit entries for vendor payments to the account indicated below, and the depository named below is authorized to credit such account. Pursuant to the National Automated Clearing House Association rules, the Los Angeles County Office of Education may initiate a reversing entry or reversing file to recall a duplicate or erroneous entry or file which they previously initiated. If the reversal attempt fails, the Los Angeles County Office of Education may employ other appropriate means to correct the error.

<table>
<thead>
<tr>
<th>AUTHORIZED SIGNATURE</th>
<th>DATE SIGNED</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>TITLE</th>
</tr>
</thead>
</table>

**Section III**

**FINANCIAL INSTITUTION INFORMATION**

<table>
<thead>
<tr>
<th>NAME OF FINANCIAL INSTITUTION</th>
</tr>
</thead>
</table>

| ADDRESS (NUMBER, STREET, CITY, STATE, AND ZIP CODE) |

<table>
<thead>
<tr>
<th>NAME OF ACH COORDINATOR (PLEASE PRINT)</th>
<th>TELEPHONE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>( )</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NINE DIGIT ROUTING TRANSIT NUMBER:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>TYPE(S) OF ACCOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAVINGS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEPOSITOR ACCOUNT NUMBER (NOT TO EXCEED 17 DIGITS)</th>
</tr>
</thead>
</table>

**FORM NO. 503-913 Rev. 08-03-2006**
INSTRUCTIONS FOR COMPLETING ENROLLMENT FORM

1. Section I - Desired Activity
   Payee checks the box indicating the desired action, e.g. ADD, MODIFY, or DELETE

2. Section II - Payee/Company Information Section
   Payee prints or types the name of the payee/company and address that will receive ACH vendor payments, Federal Employer ID (FEIN), designated contact person and assigned telephone number.

3. Section III - Financial Institution Information Section
   Financial institution prints or types the name and address of the payee/company's financial institution who will receive the ACH payment, ACH coordinator name and telephone number, nine-digit routing transit number, depositor (payee/ company) account title and account number. The financial institution also enters type of account to be used, e.g. checking or savings into the appropriate box.

Footnote - A voided check or savings deposit slip may be required by the Local Educational Agency for the verification of bank account and routing transit numbers. An example of a voided check, shown below, indicates where to locate the routing transit number for your bank and your bank account number. Remember to mark the word "VOID" across the front of your check or savings deposit slip.

4. Section IV - Local Educational Agency Information Section
   Local Educational Agency types or prints name and address of the agency and provides contact information.
**REQUEST FOR ACTION ON GLOBAL/EXEMPT EFT VENDORS**

**Form G3**

<table>
<thead>
<tr>
<th>DATE</th>
<th>BANK CODE</th>
<th>ACCOUNT CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DISTRICT NUMBER</td>
<td>DISTRICT NAME</td>
<td></td>
</tr>
<tr>
<td>VENDOR ID</td>
<td>VENDOR NAME</td>
<td></td>
</tr>
</tbody>
</table>

**A. Associate** the ACH Bank Account for the Global Vendor above: (Attach completed Form 503-913)

<table>
<thead>
<tr>
<th>Bank Account established (by District) in PeopleSoft for this Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>BANK NAME</td>
</tr>
<tr>
<td>DESCRIPTION (SHOULD MATCH VENDOR NAME)</td>
</tr>
</tbody>
</table>

**B. Confirm** Global Vendor Bank Account (only if the setup in Step A is completed earlier):

(Attach copy of the original approved "Association" request Form G3)

<table>
<thead>
<tr>
<th>BANK CODE</th>
<th>ACCOUNT CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BANK NAME</td>
<td>BANK ACCOUNT NUMBER</td>
</tr>
</tbody>
</table>

**C. Un-Confirm** Global Vendor Bank Account (the default payment method for this Vendor will revert back to Warrant Payment Method) (Attach copy of the original approved "Confirmation" request Form G3)

<table>
<thead>
<tr>
<th>BANK CODE</th>
<th>ACCOUNT CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BANK NAME</td>
<td>BANK ACCOUNT NUMBER</td>
</tr>
</tbody>
</table>

**D. Change** Global Vendor Bank Account (follow-up with a pre-confirm payment):

**From:**

<table>
<thead>
<tr>
<th>BANK CODE</th>
<th>ACCOUNT CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BANK NAME</td>
<td>BANK ACCOUNT NUMBER</td>
</tr>
</tbody>
</table>

**To:**

<table>
<thead>
<tr>
<th>BANK CODE</th>
<th>ACCOUNT CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BANK NAME</td>
<td>BANK ACCOUNT NUMBER</td>
</tr>
</tbody>
</table>

**PRINTED NAME AND TITLE OF AUTHORIZED SIGNATORY**

<table>
<thead>
<tr>
<th>DISTRICT AUTHORIZED SIGNATURE</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DISTRICT CONTACT NAME</td>
<td>DISTRICT SECTION/CONTACT NUMBER</td>
</tr>
</tbody>
</table>

**For Commercial Claims Unit use only**

**For HRS-Operations Unit use only**

<table>
<thead>
<tr>
<th>PROSSESSED/DENIED BY</th>
<th>SIGNATURE</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>REASON FOR DENIAL:</td>
<td>DATE MAILED TO DISTRICT</td>
<td></td>
</tr>
</tbody>
</table>

**APPROVED BY: ASSIST. DIRECTOR ACCOUNTING OR DESIGNEE**

<table>
<thead>
<tr>
<th>SIGNATURE</th>
<th>DATE</th>
</tr>
</thead>
</table>

Send completed form to:

Division of School Financial Services
Commercial Claims Unit
Los Angeles County Office of Education
9300 Imperial Highway, Downey, CA 90242
Fax: (562) 922-6365

**FORM NO. 503-928 Rev. 08/08/2013**

Attachment 4

Info. Bul. No. 4291

SFS-43-2015-2016
March 17, 2016

TO: Business Administrators
Los Angeles County K-12 School Districts and Community College Districts
Regional Occupational Centers/Programs (ROC/Ps) and
Selected Joint Powers Authorities

FROM: Nkeiruka Benson, Disbursement and Financial Systems Manager
Accounting and Financial Services
Division of School Financial Services

SUBJECT: Voucher Backup Documentation Delivery Method

IMPORTANT INFORMATION

This is a follow up to the recent survey we conducted on Paperless Initiative-Voucher Backup Documentation Bulletin #4258 dated December 10, 2015.

Based on the survey results (see summary results attached), we will be eliminating the JET mail Commercials Claims backup document delivery method effective July 1, 2016. We are allowing time for staff at the districts using JET Mail to transition to the electronic delivery methods. We will also provide any assistance needed for this transition. Eliminating the Jet Mail method does not only support the paperless initiative, it also makes the process of receiving and retrieving backup documents more efficient.

We are making efforts to speed up the voucher approval process. It is recommended that districts select one electronic method, either Peoplesoft Voucher Attachment or Electronic Voucher Attachment, rather than using both. When different methods are used by different staff at the districts, it slows down the retrieving and reviewing process of the backup documents. Although district staff still have the option to use different electronic delivery methods, there is a risk of slowing down their voucher approval process.

Should you have any questions regarding this bulletin, please contact Luz Spanks at (562) 922-6454 or by e-mail at Spanks_Luz@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

NB:lg
Attachment

SFS-47-2015-2016
### Summary Survey Results

<table>
<thead>
<tr>
<th>Method of Submitting document</th>
<th>No of Districts (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JET MAIL</td>
<td>32.5%</td>
</tr>
<tr>
<td>Varies by staff</td>
<td>30.0%</td>
</tr>
<tr>
<td>Email Attachment</td>
<td>25.0%</td>
</tr>
<tr>
<td>Peoplesoft Attachment</td>
<td>10.0%</td>
</tr>
<tr>
<td>FAX</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

![Bar chart showing distribution of methods of submitting documents]

- **JET MAIL**: 32.5%
- **Varies by staff**: 30.0%
- **Email Attachment**: 25.0%
- **Peoplesoft Attachment**: 10.0%
- **FAX**: 2.5%
Survey Results Paperless Initiative-Voucher Backup Documentation.

**JET MAIL**

<table>
<thead>
<tr>
<th>Why your district prefers this method</th>
<th>No of Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time consuming to scan documents</td>
<td>3</td>
</tr>
<tr>
<td>Not a preference, just old practice</td>
<td>2</td>
</tr>
<tr>
<td>Thought it was LACOE’s requirement</td>
<td>2</td>
</tr>
<tr>
<td>Need time and training to move to the electronic attachment</td>
<td>2</td>
</tr>
<tr>
<td>Will prefer electronic if it’s faster</td>
<td>2</td>
</tr>
<tr>
<td>Use electronic sometimes</td>
<td>2</td>
</tr>
</tbody>
</table>

Attachement to:
Info. Bul. No. 4304
SFS-47-2015-2016

Commercial Claims Unit       January, 2016
August 15, 2016

TO: Accounts Payable Administrators
Business and Accounting Administrators
Los Angeles County K-12 School and Community College Districts, and
Other Local Educational Agencies (LEAs)

FROM: Terry Macalalad, Enterprise Financial Systems Consultant
Accounting and Financial Services
Division of School Financial Services


The Los Angeles County Office of Education (LACOE) is pleased to introduce two new inquiry panels available in the PeopleSoft Accounts Payable Module. The first panel is Audit Hold Ranges, allowing district staff to view the auditable objects and the district’s threshold amount that will flag a voucher to audit or amount hold. The second panel is an inquiry into Global Vendor Overrides. This is a list of fund and object combinations used in a voucher that will bypass or override audit and amount hold.

Inquire – Audit Hold Ranges

In PSFS, navigate to Enter Voucher Information. On the Inquire tab, select Audit Hold Ranges. The panel will display auditable object ranges (Y on the Hold column), threshold amount, and a general description of the object range taken from the California School Accounting Manual (CSAM) as well as PeopleSoft object definitions.

![Audit Hold Ranges Panel](image)

<table>
<thead>
<tr>
<th>From Object</th>
<th>To Object</th>
<th>Hold</th>
<th>Definition/Description</th>
<th>Threshold Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1999</td>
<td>Y</td>
<td>Certificated Salaries</td>
<td>87,800.00</td>
</tr>
<tr>
<td>2000</td>
<td>2999</td>
<td>Y</td>
<td>Classified Salaries</td>
<td></td>
</tr>
<tr>
<td>3000</td>
<td>3999</td>
<td></td>
<td>Fringe Benefits</td>
<td></td>
</tr>
<tr>
<td>4000</td>
<td>4299</td>
<td></td>
<td>Books and Supplies</td>
<td></td>
</tr>
<tr>
<td>4300</td>
<td>4399</td>
<td></td>
<td>Materials and Supplies</td>
<td></td>
</tr>
<tr>
<td>4400</td>
<td>4499</td>
<td></td>
<td>Non Capitalized Equipment</td>
<td></td>
</tr>
<tr>
<td>4500</td>
<td>4699</td>
<td></td>
<td>Other Nonstructural Supplies</td>
<td></td>
</tr>
<tr>
<td>4700</td>
<td>4799</td>
<td></td>
<td>Food Supplies/Services</td>
<td></td>
</tr>
<tr>
<td>4900</td>
<td>4999</td>
<td></td>
<td>Other Structural Supplies/Suspense Acc</td>
<td></td>
</tr>
<tr>
<td>5000</td>
<td>5109</td>
<td>Y</td>
<td>Svcs &amp; Other Operating Expenses</td>
<td></td>
</tr>
<tr>
<td>5100</td>
<td>5119</td>
<td>Y</td>
<td>Svcs &amp; Other Operating Expenses</td>
<td></td>
</tr>
<tr>
<td>5120</td>
<td>5199</td>
<td>Y</td>
<td>Sub Agreement Services</td>
<td></td>
</tr>
<tr>
<td>5200</td>
<td>5299</td>
<td></td>
<td>Travel and Conferences</td>
<td></td>
</tr>
</tbody>
</table>
Inquire – Global Vendor Overrides

Navigate to Enter Voucher Information. On the Inquire tab, select Global Vendor Overrides. The panel will display the fund and object combinations when used in all lines of a voucher that will override audit and amount hold. The vendor must also be classified as a global vendor (please see LACOE Bulletin #4291 Commercial Claims Processing Update – Requests for Global Vendor Set Up and Changes dated 1/27/2016).

For example: Looking at the first line, a voucher using any fund with object range 3400-3499 (health and welfare benefits) and payable to a global vendor will bypass audit and amount hold.

![Global Vendor Overrides Panel](image)

The inquiry panels are available online with the most recent information.

Contact Information

If you have questions or need assistance regarding the inquiry panels, please contact any of the following:

- Angie Paguio (562) 922-6633 Paguio_Angie@lacoe.edu
- Raul Regalado (562) 922-6167 Regalado_Raul@lacoe.edu
- Carmen Dimayuga (562) 922-6862 Dimayuga_Carmen@lacoe.edu

For all other questions related to this bulletin, please contact me at (562) 922-6181 or email Macalalad_Terry@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

TM:lt
SFS-A3-2016-2017
August 16, 2016

TO: Business Administrators
Los Angeles County School and Community College Districts and Other Local Educational Agencies

FROM: Nkeiruka Benson, Disbursements & Financial Systems Manager
Disbursements & Financial Services
Division of School Financial Services

Per the Field Act Education Codes (EC) 17280-17317

Progress and final payments on works of design, construction, alterations, or additions cannot be processed without the required architect and inspector signatures.

This bulletin is a reminder that "no contract for the construction or alteration of any school building, made or executed by the governing board of any school district or other public board, body, or officer otherwise vested with authority to make or execute a contract, is valid, and no public money shall be paid for any work done under a contract or for any labor or materials furnished in constructing or altering any building, unless the plans, specifications, and estimates comply in every particular with the provisions of this article and the requirements prescribed by the Department of General Services and unless the approval thereof in writing has first been had and obtained from the Department of General Services" [EC17307].

"Construction or alteration" as used in this article includes any construction, reconstruction, alteration of, or addition to, any school building. [EC17294]

Summarized below are the Department of General Services (DGS) approval requirements. Please refer to Ed Code 17295 for more details.

- Plans that require approval are for the construction or, if the estimated cost exceeds one hundred thousand ($100,000), the alteration of any school building.
Plans where the estimated cost exceeds one hundred thousand dollars ($100,000), but does not exceed two hundred twenty-five thousand dollars ($225,000), a determination has to be made by a licensed structural engineer if the alteration is nonstructural or structural. For nonstructural alterations, DGS require a statement indicating so by the licensed structural engineer.

If a licensed structural engineer submits a report to the DGS stating that the plans or activities authorized do not involve structural elements, then all of the following shall apply:

1. The design professional shall certify that the plans and specifications meet applicable fire and life safety standards, and do not affect the disabled access requirements of Section 4450 of the Government Code.

2. Within 10 days of completion, the inspector of record on the project shall certify in writing to DGS that the reconstruction, alteration, or addition has been completed in compliance with the plans and specifications.

“Design professional” here, means the licensed architect, licensed structural engineer, or licensed civil engineer who is responsible for the completion of the design work involved with the project.

The signatures of Architect, Inspector, Contractor, and District Representative on Application and Certificate for Payment accompanying each progress payment requests are required on works that must comply with the Field Act. A sample form is attached in this bulletin and is available on the Commercial Claims website at:


If you have any questions in reference to this bulletin, please contact Luz Spanks at (562) 922-6454 or Spanks_Luz@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

TM:lg
Attachments

SFS-A11-2016-17
EC 17280.

(a) (1) The Department of General Services under the police power of the state shall supervise the design and construction of any school building or the reconstruction or alteration of or addition to any school building, if not exempted under Section 17295, to ensure that plans and specifications comply with the rules and regulations adopted pursuant to this article and building standards published in Title 24 of the California Code of Regulations, and to ensure that the work of construction has been performed in accordance with the approved plans and specifications, for the protection of life and property. Nothing in this section shall be construed to allow a school district to perform work with its own forces in excess of the limitations set forth in Sections 17595 and 17599. In calculating the cost of any project of reconstruction or alteration of, or addition to, any school building for the purpose of determining the applicability of the rules and regulations adopted pursuant to this article and building standards published in Title 24 of the California Code of Regulations, the Department of General Services shall not include, as an element of that cost, any expenses of air-conditioning equipment or insulation materials for that building, or of installing the equipment or materials. (2) In the alternative, for a leased or purchased building, a school district may comply with this section by complying with Section 17280.5.

(b) Whenever repairs due to fire damage, not including any damage caused by wind or earthquake, must be made to any school building previously approved by the Department of General Services, the approved plans and specifications used in the original work under then existing rules, regulations, and building standards may be used without modification, providing all other provisions of this article are carried out.

(c) Notwithstanding any other provision of law, no school district shall be authorized to construct or reconstruct any school building, regardless of the source of funding, unless and until the governing board of the district, by resolution, has indicated the agreement of the district that any school building construction or reconstruction that exceeds those construction costs and allowable area standards or any allowable building area computed for an attendance area pursuant to Section 17041 shall, in the event of the district's subsequent application for state funding for school facility construction, be deducted from the allowable building area for which the district would otherwise have been eligible, which restriction shall not be subject to waiver or exception as otherwise may be provided by law.

(d) If it is determined that, for any reason, a school district failed to comply with the requirement of this section, the district shall not be eligible for any additional building area pursuant to Section 17049 and may be denied any time priority established for the particular project pursuant to Section 17016.
EC 17295.
(a) (1) The Department of General Services shall pass upon and approve or reject all plans for the construction or, if the estimated cost exceeds one hundred thousand dollars ($100,000), the alteration of any school building.

(2) To enable the Department of General Services to pass upon and approve plans pursuant to this subdivision, the governing board of each school district and any other school authority before adopting any plans for the school building shall submit the plans to the Department of General Services for approval, and shall pay the fees prescribed in this article.

(b) Notwithstanding subdivision (a), where the estimated cost of the reconstruction or alteration of, or an addition to, any school building exceeds one hundred thousand dollars ($100,000), but does not exceed two hundred twenty-five thousand dollars ($225,000), a licensed structural engineer shall examine the proposed project to determine if it is a nonstructural alteration or a structural alteration. If he or she determines that the project is a nonstructural alteration, he or she shall prepare a statement so indicating. If he or she determines that the project is structural, he or she shall prepare plans and specifications for the project which shall be submitted to the Department of General Services for review and approval. A copy of the engineer’s report stating that the work does not affect structural elements shall be filed with the Department of General Services.

(c) If a licensed structural engineer submits a report to the Department of General Services stating that the plans or activities authorized pursuant to subdivision (b) do not involve structural elements, then all of the following shall apply to that project:

(1) The design professional in responsible charge of the project undertaken pursuant to this subdivision shall certify that the plans and specifications for the project meet any applicable fire and life safety standards, and do not affect the disabled access requirements of Section 4450 of the Government Code, and shall submit this certification to the Department of General Services. The letter of certification shall bear the identifying licensing stamp or seal of the design professional. This paragraph does not preclude a design professional from submitting plans and specifications to the Department of General Services along with the appropriate fee for review.

(2) Within 10 days of the completion of any project authorized pursuant to subdivision (b), the school construction inspector of record on the project, who is certified by the Department of General Services to inspect school buildings, shall certify in writing to the Department of General Services that the reconstruction, alteration, or addition has been completed in compliance with the plans and specifications.

(3) The dollar amounts cited in this section shall be increased on an annual basis, commencing January 1, 2018, by the Department of General Services according to an inflationary index governing construction costs that is selected and recognized by the Department of General Services.

(4) No school district shall subdivide a project for the purpose of evading the limitation on amounts cited in this section.

(d) For purposes of this section, “design professional in responsible charge” or “design professional” means the licensed architect, licensed structural engineer, or licensed civil engineer who is responsible for the completion of the design work involved with the project.
EC 17307.5
(a) Notwithstanding any provision of law to the contrary, including, but not limited to, Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, the Department of General Services may issue a stop work order when construction work on a public school is not being performed in accordance with existing law and would compromise the structural integrity of the building, thereby endangering the public safety. The Department of General Services shall allow construction of incidental and minor nonstructural additions or nonstructural alterations without invoking its stop work authority.
APPLICATION AND CERTIFICATE FOR PAYMENT

TO (OWNER):

FROM (CONTRACTOR):

APPLICATION NO.:

PERIOD TO:

DSA No.

Distribution to:

OWNER

ARCHITECT

INSPECTOR

DATE:

CONTRACT FOR:

CONTRACTOR’S APPLICATION FOR PAYMENT

The undersigned Contractor certifies that, to the best of the Contractor’s knowledge, information and belief, the Work covered by this Application for payment has been completed in accordance with the Contract Documents, that all previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: ___________________________ Date: ___________________________

State of: ___________________________ County of: ___________________________

Notary Public: ___________________________ My Commission expires: ___________________________

CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect/Inspector certifies to the Owner that to the best of the his/her knowledge, information and belief, the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: ___________________________ $ ___________________________

Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.

CONSTRUCTION MANAGER

By: ___________________________ Date: ___________________________

ARCHITECT:

By: ___________________________ Date: ___________________________

PROJECT INSPECTOR

By: ___________________________ Date: ___________________________

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.
<table>
<thead>
<tr>
<th>ITEM NO.</th>
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<th>SCHEDULED VALUE</th>
<th>WORK COMPLETED FROM PREVIOUS APPLICATION (D+E)</th>
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October 17, 2016

TO: Business, Payroll and Personnel Administrators
Los Angeles County School and Community College Districts
Charter Schools and Other Local Educational Agencies

FROM: April Reynolds, Payroll Systems Coordinator
District Personnel Information Services
Division of School Financial Services

SUBJECT: Processing of HRS Warrants Issued to Employees Who Are Now Deceased

Districts may be in possession of uncashed payroll warrants issued to employees who are now deceased. In 2015 a new procedure was implemented which allows districts more control in processing such warrants, and beneficiaries with easier access to the funds. This bulletin provides more information on this process and provides answers to frequently asked questions.

The process for releasing these warrants is pursuant to district procurement of the following:

- A valid Warrant Recipient Designation form executed by the employee, or
  - Submission of court Letters of Administration or Letters of Testamentary, or
  - An affidavit allowing the release of funds to a beneficiary, and
- Proof of death.

An example of a Warrant Recipient Designation form is included as an attachment to this bulletin. Districts should encourage all employees to update this form every five years, or when a life change occurs.

Districts can expect a few business days turnaround upon receipt of the appropriate documentation.
PROCEDURE

District Accounting/Payroll Units wishing to re-issue wages to a qualified beneficiary should perform the following steps:

- Secure the uncashed payroll “A” Warrant.
- Produce a valid Warrant Recipient Designation or other legal documentation permitting wage distribution to a beneficiary, as mentioned on the previous page.
- Create a voucher in PeopleSoft for the net amount of the original “A” Warrant.
- Make note of the original “A” Warrant number in the voucher comment section.
- Charge Object code 9601, Employee Final Pay Liability Account.
- Scan and email all documents and the original warrant to SFS Payroll/Legal Claims for verification and approval.
- Return the original warrant to SFS Payroll/Legal Claims via JET delivery.
- Upon email approval of the replacement, create journal entry for the cancellation of the original payroll warrant.

Please note that Districts should not cancel the “A” Warrant in HRS. Upon receipt, SFS Payroll/Legal Claims will perform a “stop payment” transaction on the original warrant.

If you have questions, please contact the corresponding area:

<table>
<thead>
<tr>
<th>Subject Matter</th>
<th>Contact Person</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Claims:</td>
<td>Veronica Gutierrez</td>
<td><a href="mailto:Gutierrez_Veronica@lacoe.edu">Gutierrez_Veronica@lacoe.edu</a></td>
</tr>
<tr>
<td>Voucher approval/release</td>
<td>Angie Paguio</td>
<td><a href="mailto:Paguio_Angie@lacoe.edu">Paguio_Angie@lacoe.edu</a></td>
</tr>
<tr>
<td>Payroll/Legal Claims:</td>
<td>Nekeara Ellzey</td>
<td><a href="mailto:Ellzey_Nekeara@lacoe.edu">Ellzey_Nekeara@lacoe.edu</a></td>
</tr>
<tr>
<td>Documentation verification</td>
<td>April Reynolds</td>
<td><a href="mailto:Reynolds_April@lacoe.edu">Reynolds_April@lacoe.edu</a></td>
</tr>
<tr>
<td>PeopleSoft:</td>
<td>Terry Macalalad</td>
<td><a href="mailto:Macalalad_Terry@lacoe.edu">Macalalad_Terry@lacoe.edu</a></td>
</tr>
<tr>
<td>GL and AP Support</td>
<td>Rolando Perey</td>
<td><a href="mailto:Perey_Rolando@lacoe.edu">Perey_Rolando@lacoe.edu</a></td>
</tr>
</tbody>
</table>

Approved:
Sean Lewis, Assistant Director
School Financial Services, DPIS

SL:sm
Attachments

SFS-A19-2016-2017
Frequently Asked Questions
Processing of Warrants Issued
To Employees Who Are Now Deceased

- Where do I start?
  - Secure the payroll warrant and gather the required documentation.

- We don’t have a Warrant Recipient Designation on file for this employee. Where do I obtain an affidavit?
  - Contact SFS Payroll/Legal Claims.

- The named Warrant Recipient Designation beneficiary is deceased. What should we do now?
  - Provide the family or next-of-kin with the option of providing court Letters of Administration or completion of an affidavit.

- Can an employee designate more than one beneficiary?
  - Yes. If more than one primary beneficiary is named, the net amount of the original payroll warrant should be divided equally.

- What if the designated beneficiary is a minor?
  - A minor can receive the payment. If there is no designated beneficiary and the child is immediate family, the parent or guardian of the child can submit an affidavit on his/her behalf.

- Can the beneficiary be located in another country? Can the beneficiary be an undocumented person?
  - Yes, in both cases.

- Can a trust be listed as a beneficiary?
  - Yes. However, if the employee names a trustee, the check will be payable to the trustee as an individual.

- What if we cannot locate the designated beneficiary for distribution?
  - Districts should develop policies for situations such as this. When in doubt, consult district General Counsel.

- Do I have to wait for approval from LACOE before submitting the voucher in PeopleSoft?
  - No. You can enter the transaction at the time you submit the documents to SFS Payroll/Legal Claims.

- Do we need to return the original payroll warrant to LACOE?
  - Yes. Return the voided warrant to SFS Payroll/Legal Claims via JET mail.
• What if I need to make balance adjustments in HRS as a result of this transaction?
  o Complete and submit an “HRS Balance Adjustment Request – Deceased Employee” form, found on the LACOE SFS Payroll website. www.lacoe.edu/payroll

• What happens on the accounting side?
  o District makes the following accrual entry upon approval of the transaction (In this example of $100.00):
    ▪ Credit - 01.0-00000.0-00000-00000-9601-000000 (100.00)
    ▪ Debit - 01.0-00000.0-00000-00000-9110-000000 100.00
  
  o District’s B warrant request creates the following entries:
    ▪ Debit - 01.0-00000.0-00000-00000-9601-000000 100.00
    ▪ Credit - 01.0-00000.0-00000-00000-9110-000000 (100.00)
  
  o In effect, the credit and debit to 9601 should net to zero.
  o Timely year-end accounting is critical to ensure that both transactions affecting 9601 occur within the same fiscal year.
WARRANT(S) RECIPIENT DESIGNATION

Under the provisions of Section 53245 of the California Government Code, in the event of my death I hereby designate the following named person to be entitled to receive all warrants payable to me by the _____________ Unified School District had I survived:

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<th>Type or Print Full Name of Designee</th>
<th>Relationship to Employee</th>
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**Beneficiary Information**

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**Contingent Beneficiary Information**

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This designation cancels and replaces any previously signed by me for this purpose and shall remain in effect until cancelled in writing by me.

It is expressly understood and agreed that the _____________ Unified School District is not obligated to deliver said warrants to the person designated hereinafore unless said designated person, within two years after the date of said warrant or warrants, claims said warrants from the _____________ Unified School District and provides to said _____________ Unified School District sufficient proof of identity pursuant to the provisions of Section 53245 of California Government Code.

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FORM NO ________

Attachment 2 to:
Info. Bul. No. 4475
SFS-A19-2016-2017