

LOS ANGELES COMMUNITY COLLEGES  
OFFICE OF THE CHANCELLOR  
ADMINISTRATIVE REGULATIONS

INDEX NUMBER AO-9

<b>REFERENCE:</b> Board Rules, Chap. XIII Article 13106	<b>TOPIC:</b> Accounting and Reporting for Auxiliary Organizations
<b>ISSUE DATE:</b>	<b>INITIATED BY:</b> Business Services
<b>CHANGES:</b>	<b>DATE OF CHANGES:</b>

1. The fiscal year of the auxiliary organization shall coincide with that of the District.
2. Each auxiliary organization shall develop an accounting system which is in accordance with generally accepted accounting principles and which meets the following requirements:
  - a. Utilizes double entry accounting
  - b. Utilizes fund accounting formats
  - c. Produces the information necessary to provide the required reports listed below (Section 4)
3. The accounting system shall be submitted to the Vice Chancellor, Business Services, for review prior to its implementation.
4. The auxiliary organization shall provide the following types of reports on the schedule indicated wherever applicable:

	<u>Type of Report</u>	<u>Frequency</u>	<u>Recipient</u>
a.	State of Financial Condition	Monthly	Aux Org Board & Vice Chanc., BSD
b.	Changes in Fund Balances	Annually	"
c.	Statement of Activity	Annually	"
d.	Changes in Financial Position	Annually	"
e.	Schedule of Activity of Aux. Org. Activities Fund	Monthly Quarterly	Aux. Org. Board Vice Chanc., BSD
f.	Schedule of ASB Program Operations	Quarterly	"
g.	Schedule of Student Union Program Operations	Same as report (f)	
h.	Schedule of Source of Funding & Expenditures	Monthly	Aux. Org. Board & Vice Chanc., BSD
i.	Schedule of Indirect Expenditures	Annual	"
j.	Schedule of Investments and Savings	Same as report (i)	

5. The auxiliary organization shall implement financial standards which will assure its fiscal viability. Such standards shall include proper provision for professional management, adequate working capital, adequate reserve funds for current operations, capital replacements, contingencies and adequate provisions for new business requirements.
6. Each auxiliary organization serving the District shall submit its programs and budgets for review at a time and in a manner specified by the Chancellor. Similarly, the programs and budgets for auxiliary organizations primarily serving a college in the District shall be submitted to that college president for review, and to the Chancellor.

Should the Chancellor or president, as appropriate, determine that any program or appropriation planned by an auxiliary organization is not consistent with District or college policy, the program or appropriation which has received approval, upon review, be determined by the Chancellor or president to be operating outside the acceptable policy of the Board of Governors, the District, or the college, then that program or appropriation shall be discontinued by direction of the Chancellor or president until further review is accomplished and an appropriate adjustment is made.