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BOARD AGENDA ITEM

ITEM NO: 4.1

BOARD MEETING DATE: Tuesday, March 3, 2026

UNFINISHED BUSINESS: Approval of Revisions to Policy and Regulation, DIE, DIE-R, *Audits / Financial Planning* (second reading)

SUBMITTED BY: Denise Bartlett, Superintendent

PRESENTED BY: Denise Bartlett, Superintendent

There are minor changes to both the policy and regulation that improve the clarity and readability.

Policy DIE

After the first reading of policy DIE on February 24, 2026, there were no additional recommended revisions.

First reading revisions include:
- Removal of the June 2016 reference to the Office of Management and Budget (OMB) Compliance Supplement to ensure the policy points to the current version used for audit and compliance purposes.
- Headings were also added to delineate the content of the paragraph(s) that follow.
- The word "Governing" was inserted before the word "Board" in two places.

Regulation DIE-R

The most significant change reflects the Office of Management and Budget's revisions to Uniform Guidance, which increased the Single Audit threshold from $750,000 to 1,000,000 in federal grants expended during the fiscal year. This updated threshold applies beginning with FY 26 audits.

Although our policy reflects the $500,000 threshold, we have been using the $750,000 threshold since 2014.

After the first reading of Regulation DIE on February 24, 2026, there were a few recommended revisions.

In the section titled Requirements for Proper Management, two paragraphs were struck through in their entirety and rewritten for better readability and clarity. Additionally, timebound information was removed from the paragraphs. The paragraphs now read:

- Whenever the District expends less than a cumulative total of one million dollars ($1,000,000) in federal grants during a fiscal year, the District shall be subject to a procedural review conducted by the Office of the Auditor General at times determined by the Auditor General, subject to the following provisions:

And

- Whenever the District expends a cumulative total of one million dollars ($1,000,000) or more in combined expenditures from all sources of federal financial assistance during a fiscal year, the District shall engage an approved independent certified public accountant to conduct an annual financial audit and compliance (Single) audit. The audit shall be conducted in accordance with Generally Accepted Auditing Standards (GAAS)**,** Government Auditing Standards issued by the U.S. Comptroller General, and Uniform Guidance (2 CFR Part 200, Subpart F), as applicable, and in compliance with the federal Single Audit Act Amendments of 2003 and related regulations issued by the Office of Management and Budget (OMB).

Other recommended revisions discussed at the first reading include:

- United States was added before Generally Accepted Auditing Standards in three paragraphs.
- Governmental Audition Standards issued by the U. S. Comptroller General, and Uniform Guidance (2 CFR Part 200 Subpart F), as applicable was added to three paragraphs.

RECOMMENDED MOTION: I move that the governing board approve revisions to Policy and Regulation, DIE, DIE-R, *Audits / Financial Planning*, as presented.