

Business and Noninstructional Operations

REVOLVING FUND

The Governing Board has a fiduciary responsibility to effectively manage and safeguard the District's assets and resources. All revolving cash funds shall be subject to the internal control procedures established by the District to prevent and detect fraud, financial impropriety, or irregularity and shall be maintained in accordance with law and the California School Accounting Manual.

(cf. 3314 - Payment for Goods and Services)
(cf. 3400 - Management of District Assets/Accounts)
(cf. 3451 - Petty Cash Funds)
(cf. 3530 - Risk Management/Insurance)
(cf. 3551 - Food Service Operations/Cafeteria Fund)

Standard Revolving Cash Fund

Pursuant to Education Code 42800, the Board has adopted a resolution establishing a revolving cash fund for use by the chief accounting officer. The fund shall be used only for the purposes specified in the Board's resolution which may include, but are not limited to, payment for services or supplies for which there is an urgent deadline or to reduce the need for issuing numerous small warrants.

The chief accounting officer shall be covered by an individual bond or insurance in the amounts specified in law. The chief accounting officer shall ensure that payments from the fund are for services or materials that are a legal charge against the District and that a receipt is obtained setting forth the date, payee, purpose of the expenditure, and amount expended. (Education Code 41021, 42801, 42801.5, 42804)

The Board may at any time reduce or discontinue the revolving cash fund. (Education Code 42805)

The funds shall be deposited in a bank doing business locally, whose deposits are insured by the FDIC and approved by the Board. The Superintendent/ or designee shall be responsible for all payments into the account as well as expenditures from the account subject to the restrictions established by the Board. The fund shall be audited annually by the accountant authorized by the Board.

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REVOLVING FUND (continued)

District personnel, with the approval of the principal or department head, may make cash purchases of items costing no more than one hundred fifty dollars (\$150.00). This does not include payroll adjustments made through the Business Services and Support Department. Reimbursements shall be made upon presentation of the itemized, dated receipt to the Business Office. Reimbursement must be required prior to an accumulation of more than three hundred dollars (\$300.00) in reimbursable cash purchases.

Regulations permit use of the District Revolving Cash Fund for the purchase of items by staff members subject to the following conditions:

- (a) Purchases eligible for reimbursement are as follows:
- (1) Anything not prohibited by law, District policy, or site manager.
 - (2) Must be from a licensed vendor (not an individual friend or family member).
 - (3) Must cost less than one hundred fifty dollars (\$150.00), total not to exceed three hundred dollars (\$300.00), and be submitted for reimbursement within 90 days.
 - (4) District personnel cannot purchase equipment and request reimbursement. Equipment (in this instance) is not determined by the cost of the item.
 - (5) Materials must not require installation, service, or maintenance. The District will NOT purchase warranties on these materials.

Legal References:

EDUCATION CODE

- 35160 Authority of governing boards
- 35250 Duty to keep certain records
- 38091 Cafeteria revolving accounts
- 41020 Audits of all district funds
- 41021 Requirement for employee's indemnity bond
- 41365-41367 Charter school revolving loan fund
- 42238.01-42238.07 Local control funding formula
- 42630-42652 Orders, requisitions, and warrants

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REVOLVING FUND (continued)

Legal References (continued):

- 42800-42806 Revolving cash fund
- 42810 Revolving cash funds; use; administrators
- 42820-42821 Prepayment revolving cash fund
- 45167 Error in salary

Management Resources:

WEB SITES

- California Department of Education, Finance and Grants: <http://www.cde.ca.gov/fg>
- Fiscal Crisis and Management Assistance Team: <http://fcmat.org>

Policy

Adopted: 11/13/90

Revised: 10/17/00

Revised: 11/13/19

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Chula Vista, California