

## **REVOLVING CASH FUND/REVOLVING FUND ACCOUNT**

The Board of Trustees 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)

The Superintendent or designee shall provide regular reports to the Board regarding the use of revolving funds and the results of any audits conducted on the funds.

- (cf. 3460 - Financial Reports and Accountability)

The Superintendent shall provide for the establishment of a Revolving Cash Fund and of a Revolving Fund Account for the purpose of handling a variety of small, necessary District expenditures.

### **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. He/she 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)

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### **Pre-Payment Revolving Cash Fund**

Pursuant to Education Code 42820, the Board has adopted a resolution establishing a pre-payment revolving cash fund for use by the individual so designated in the Board's resolution.

The fund shall be established in a bank or other institution whose deposits are federally insured and shall be within the maximum limit specified in law. (Education Code 42820)

The designated individual shall be authorized to make payments from the fund for purchases in the amount of \$1,000 or less, including freight or tax. He/she shall submit a monthly list of the payments to the Board for approval. The fund is also designated for use to pay employees paychecks in situations deemed emergency in nature. In such instances the \$1,000 limitation can be exceeded. (Education Code 42821)

Any person who issues a check drawn on the fund shall be personally liable for the amount of the check if the expenditure is in violation of the District's rules and regulations with respect to the fund. (Education Code 42821)

### **Alternative Revolving Cash Fund**

Pursuant to Education Code 42810, the Board has adopted a resolution establishing a revolving cash fund for use by school principals and other administrative staff. The fund shall be used for services or materials related to classroom instruction or to correct an error in a classified employee's salary pursuant to Education Code 45167, as specified in the Board's resolution.

The revolving cash fund for supplies shall be subject to the bonding provisions of Education Code 42801.

The principal or administrative staff member in whose name the revolving cash fund is created shall be responsible for all fund expenditures, subject to Board regulation. (Education Code 42810)

Legal Reference:

EDUCATION CODE

35160 Authority of Board of Trustees

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 Revenue limits

## **REVOLVING CASH FUND/REVOLVING FUND ACCOUNT**

42630-42652 Orders, requisitions, and warrants  
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://www.fcmat.org>

Policy adopted (as 3326.3): 11/24/81

Amended: 4/8/86

Amended: 7/28/88

Renumbered: 8/10/89

Amended: 3/8/90

Amended: 1/24/91

Amended: 3/12/91

Amended: 7/14/92

Amended: 1/27/98