

Revolving Cash Guidelines

(California Education Code 42800, 42801, 42804)

Definition:

A revolving cash fund is a specific amount of money used to purchase inexpensive items. It is called revolving cash because as the money is spent, it is being replaced.

Purpose of Revolving Cash Funds:

A revolving cash fund allows district employees to purchase inexpensive items (with prior approval of the principal/budget administrator) directly from vendors and be reimbursed by the revolving cash account at the school site.

Note: A request for reimbursement should be submitted as often as necessary to avoid depleting your revolving cash fund; for example, if your revolving cash fund is \$1,500, turn in your receipts for reimbursement after you have spent \$500. It takes approximately two weeks to be reimbursed through Fiscal Services.

Allowable Expenditures from Revolving Cash Funds (receipts must be provided):

- A single item under \$200.
- A number of items on one receipt under \$200.
- Materials and supplies not stored in the Warehouse which are purchased infrequently.
- Refreshments and meals provided at in-service training workshops. The workshop must be for district employees only. Daily coffee for the office is not an allowable expenditure.

Expenditures NOT Allowed from Revolving Cash Funds:

- Membership dues of any kind.
- Mileage claims.
- Conference registrations, meals and lodging.
- Flowers, candy, trophies, prizes, etc., that may be considered a "gift of public funds."
- Salaries of any kind.

Procedures for Revolving Cash Fund:

1. **A SEPARATE BANK ACCOUNT MUST BE ESTABLISHED TO ACCOUNT FOR REVOLVING CASH FUNDS.** The revolving cash fund shall be reimbursed by the district's General Fund. No other money may be deposited to the revolving cash bank account. For example, personal check cashing, parent club donations, etc. (The internal auditor can assist you in making banking arrangements.)
2. Maximum dollar amounts:

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|---------|------------------------------------|
| \$1,500 | Elementary schools and departments |
| \$2,500 | Middle schools |
| \$4,000 | High schools and Adult Education |

Requests to transfer the fund from one principal to another are made on the same request form and submitted to the Fiscal Services department. Before the transfer can be completed, an audit of the fund must be done and a new signature card must be filed at the bank.

3. Payments from the revolving cash fund shall only be for services or materials which are a legal charge against the district. No expenditure shall be made unless a receipt is obtained.
4. Requests for reimbursement should be presented to Fiscal Services. A memo should be sent to Fiscal Services from the principal or the administrator responsible for the account requesting reimbursement for revolving cash. The memo should indicate the date of the purchase, what was purchased, from where it was purchased, and the expenditure code to be charged. Receipts should be taped to an 8½ x 11" piece of paper and attached to the memo requesting reimbursement
5. At all times, the cash deposited in the bank plus the purchase receipts should equal the total revolving cash allotment. The bank statement can serve as the receipt for bank fees.
6. Revolving cash accounts will be audited periodically by the internal auditor.