



Santa Ana Unified School District

BOARD POLICY NO: 3314.2

EFFECTIVE: 07/27/2021

SUBJECT: Revolving Funds

CATEGORY: Business and Noninstructional Operations

RESPONSIBLE OFFICE(S): Business Services, Accounting, Payroll

SCOPE:

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)

POLICY:

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)

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)

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. (Education Code 42821)



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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)

DESIRED OUTCOME:

Through this policy, the District shall ensure the proper internal controls are in place with the revolving cash fund to ensure accountability regarding the expenditure of public funds and compliance with Board, Federal, and State requirements.

IMPLEMENTATION GUIDELINES AND ASSOCIATED DOCUMENTS:

District Policies and Procedures:

BP/AR 3314 - Payment for Goods and Services

BP/AR 3400 - Management of District Assets/Accounts

AR 3451 - Petty Cash Funds

BP/AR 3530 - Risk Management/Insurance

BP/AR 3551 - Food Service Operations/Cafeteria Fund

Legal Reference:

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	Revenue limits



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42238.01-42238.07	Local control funding formula
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>

ADOPTION AND REVISION HISTORY:

(8-98) 7-21