

BUSINESS AND NONINSTRUCTIONAL OPERATIONS

SUBJECT: Revolving Funds

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)

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)

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
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>