

# Revolving Cash Guidelines

## **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. It is called revolving cash because when a portion of the funds in your account is spent, a request for reimbursement may be made to replenish the balance to bring your account back to your starting balance.

**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 original itemized 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 (original itemized receipts must be provided, not credit card receipts):**

- A single item under \$200.
- A number of items on one receipt under \$200.
- Materials and supplies not stored in the Warehouse that are purchased infrequently.
- Refreshments and snacks provided at in-service training workshops.

## **Expenditures NOT ALLOWED from Revolving Cash Funds are, but not limited to:**

- 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.
- Daily coffee, tea, water, etc., for the office/employee lounge, etc.
- Consultant fees of any kind.
- Purchase of gift card.
- Incentives rewards for employees & volunteers
- Excess of \$200 per receipt and/or per item
- Decorations

**When in doubt** and before you make a questionable purchase, check with Accounts Payable to clarify if the expense is reimbursable through the revolving cash account. You can also email your question(s) to the accounts payable supervisor, [mcclanahane@mdusd.org](mailto:mcclanahane@mdusd.org), or call X 4084. Checking with accounts payable before you make a questionable purchase will reduce the risk of the purchaser being personally held responsible for payment if the item is not a reimbursable expense.

## **Procedures for Revolving Cash Fund:**

***A separate bank account must be established to account for revolving cash funds.***

1. 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, Boosters, etc.

Mt. Diablo Unified School District

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2. **Maximum dollar amounts:**

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

If your principal/administrator signer **changes at any time**, you will need to request to transfer the account from the previous principal/administrator to the current principal/administrator. You will do this by contacting your bank and completing the bank's requirements for a change of signers. Before the transfer can be completed, an audit of the fund must be done with the new signer and the Fiscal Services department. A new signature card must be completed and on file at your bank before your new signer can be the second signature on checks you issue. All district issued checks require two signatures. As a reminder the administrator is the second signature on the checks you issue. Send an email or memo to Fiscal Services office to update district records on changes to your account (specify the account name and your changes.) **This process is to be followed when there is a change of signers on any of your district accounts: revolving, clearing, and student body.**

Payments from the revolving cash fund shall **only** be for items which are legal charges against the district. **No expenditure shall be made unless an original itemized receipt is obtained.**

3. A request for reimbursement is to be submitted as often as necessary to avoid depleting your revolving cash fund. Requests for reimbursement are to be sent to the accounts payable department in Fiscal Services.
  - Send a memo signed by the principal/designee to Fiscal Services indicating the date of the purchase, item purchased, what it was used for, where it was purchased and the expenditure code used to purchase the item.
  - Original Itemized Receipts are to be taped to an 8-1/2" X 11" piece of paper and attached to the reimbursement request memo.
4. At all times, the cash deposited in the bank plus the purchase receipts are to equal the total revolving cash allotment. The bank statement can serve as the receipt for bank fees. Balance your account monthly making sure your reimbursement requests match the reimbursement you receive so your account will balance.

**If there is a discrepancy in the balance** of your revolving cash account, thoroughly examine your requests for reimbursement to see if you received total reimbursement (you may have to go back through your files to find the problem if the imbalance was not corrected in previous month(s). If you did not receive total reimbursement for a request for reimbursement, note the reason why and **immediately** follow-up by working with Accounts Payable to resolve the non-reimbursement. Instances of non-reimbursement need to be dealt with as they occur in order to keep your account in balance in a reasonable amount of time. **A budget code used with insufficient funds or funds that expired could cause a non-reimbursement.**

**All bank statements are to be balanced on a monthly basis.**

5. Revolving cash accounts will be audited periodically.