



SAN DIEGO COMMUNITY COLLEGE DISTRICT

Administrative Procedure

CHAPTER 6 – BUSINESS AND FINANCIAL SERVICES

AP 6300.10 Revolving Cash Funds

Office(s) of Primary Responsibility:

Vice Chancellor, Business Services
Controller

A. Purpose/Scope

The purpose of this procedure is to implement provisions of Board Policy 6300 Fiscal Management. This procedure prescribes guidelines to set forth the steps required to establish, utilize and maintain revolving cash funds.

B. Functions, Definitions, and Regulations

Functions

Revolving cash funds are established by Board resolution to provide an economical and expeditious method of purchasing non-stock supplies, services and other authorized expenditures.

Vice Presidents of Administrative Services may initiate the establishment of a revolving cash fund to serve the needs of their particular site/program and may designate the fund custodian.

The District Revolving Cash Fund, which can service any program within the District, is authorized for discretionary use by the Vice Chancellor of Business Services, or designees.

Expenditures are charged against the appropriate fund, detail fund, cost center, TOPS and object codes of the user's budget in the Colleague-CF Financial Information System when the funds are reimbursed for the expenditure(s).

Definitions

Supplies are material items of an expendable nature that are consumed, wear out, or deteriorate with use. For detailed definitions distinguishing supplies from equipment (capital outlay), see Administrative Procedure AP 6330.2 Equipment and Supply Determination.

Services include work performed by independent contractors/consultants, not District employees, see Administrative Procedure AP 6330.8 Consultant Contract, and all related expenses. These services do not include routine, customary, and ongoing work which can be performed by District employees. (See Evaluation of Employer/Employee Relationship).

All other services are generally performed by hourly or contract employee hired through Human Resources.

Regulations

Authorized uses of the revolving funds include the purchase of supplies and services as defined above. Further, the District Revolving Cash Fund may be utilized for any other legal purchases permitted by the Education Code subject to the following limitations.

Revolving cash funds shall not be used for the acquisition of materials or services for special grants or contracts. Prior approval and/or designated exceptions may be authorized by the Vice Chancellor of Business Services, or designee(s).

Expenses related to travel requests and reimbursements to employees for the use of their personal car are not to be paid out of the revolving cash fund. These expenditures should be processed directly through Accounts Payable processing in Business Services.

Petty cash funds shall not be established from a revolving cash fund.

All expenditures shall be made by checks drawn on the accounts, either for direct purchases payable to the supplier, or for reimbursement to the purchaser, based on prior approval and evidence of purchase and payment.

Expenditures from the accounts shall not exceed the account balance.

Revolving cash funds shall not be used to prepay any purchases. Either the items are to be exchanged directly for a check, or, at a minimum, a receipt is to be obtained which details the date, purpose and amount of the expenditure.

All reimbursable purchases must be paid by cash, check, or credit card.

Revolving cash funds are not intended for purchases outside of the County; however, Purchasing and Contract Services may grant exceptions for reimbursement based on necessity. If permission is given to use the revolving cash fund for purchases outside of the County, the required sales taxes should be paid to the Vendor; otherwise, the applicable use tax amount to be remitted to the State Board of Equalization should be

allocated from the expenditure budget. The current rate of sales and use tax in San Diego is 8.75%.

For site revolving funds, the aggregate value of supplies and/or services in any transaction shall not exceed \$200. Splitting of any transaction so as not to exceed the \$200 limit is not allowed.

Items purchased should not be of the same or equivalent quality or capability to items purchased on bid, or those routinely and cost-effectively ordered by Purchasing and Contract Services, unless the item is "out of stock" and/or needed on an emergency basis.

IMPLEMENTATION

Business Services shall:

Assist campus/department in preparing, for Board consideration, requests to establish new funds and to change/discontinue existing funds.

Provide for contracted banking services, including but not limited to, liaison for the services, obtaining checks, deposit slips, signature cards and all other materials needed to operate the accounts.

Provide staff advice through Purchasing and Contract Services, concerning the propriety of contemplated purchases, suggested vendors or standard products.

Process reimbursement claims, (see RCF Voucher form) and issue reimbursement warrants as follows:

Prepare the warrant(s) in the name of the account the warrants is reimbursing, e.g., San Diego Community College District Mesa College Revolving Cash Fund.

Charge the expenditure(s) against the proper appropriation, i.e., fund, organization, account, and program.

Send the warrant(s) to the site together with a copy of the original reimbursement request(s). If there is an error or discrepancy noted by Business Services during the processing of the reimbursement request(s), the copy of the original reimbursement request(s) showing the error correction must be sent with the warrant.

Effect transfer of fund custodianship and signatories' concurrent with assignment changes. Audit each fund at least annually.

Designated Fund Custodian shall:

Request Business Services to coordinate the establishment of new funds as needed, and the changing and/or discontinuance of existing funds as desired.

Be responsible for all expenditures from their respective funds and may be held liable for improper expenditures from his/her assigned fund(s).

Establish local fund operating instructions which recognize the provisions of this procedure, and direct the operation of the fund, including, but not limited to the issuance of checks drawn on the revolving cash fund account, payable to the requested payee, on receipt of properly presented documentation and availability of funds; and preparation and submittal of reimbursement claims monthly or as needed as follows:

Each claim must be signed by the fund custodian and submitted in duplicate together with the supporting itemized receipts to Accounts Payable, Business Services.

The fund custodianship or designated employee shall retain a copy of the claim for local program records, preferably filing it chronologically with an assigned RCF Reimbursement Number for reference and control purposes.

Fund custodians should allow two full weeks for reimbursement warrants to reach them after submitting a reimbursement claim.

Since the condition of overdrawn accounts is prohibited, reimbursement claims should be submitted far enough in advance so as to avoid depletion of the fund while awaiting the reimbursement warrant.

Fund custodians must submit reimbursement claims monthly or whenever the fund balance is at or below a level of 25% of the established fund maximum, whichever comes first.

Fund custodians must submit, at a minimum, a semi-annual claim for reimbursement (January 10th) and a fiscal year-end claim for reimbursement (June 10th).

Fund custodians must maintain a list of payments that are reportable to the Internal Revenue Service on Form 1099-MISC at the end of the calendar year. This listing should be updated with each reimbursement request and submitted separately to Accounts Payable, Business Services via attachment to an e-mail using the prescribed Excel-formatted 1099 Log/Worksheet. ([See 1099 Log/Worksheet and 1099 Instructions](#))

Process reimbursement warrants as follows:

Endorse warrant(s) with endorsement stamp and prepare three copies of the deposit slip.

Attach one copy of the deposit slip to the local program copy of the reimbursement request and enclose two copies of the deposit slip, with the check for deposit, in the envelope marked "Revolving Cash Fund Deposit."

Secure the deposit in a bank bag and send to the bank by armored car service,

either directly, or via the school courier to an authorized pick-up point.

Receive verified deposit slip and match it with the file copy of the original reimbursement claim.

Maintain records for the checking account, reimbursement claims, and warrant deposits and receipts for items purchased.

Complete monthly bank statement reconciliation reports and submit to Internal Audit, Business Services.

Transfer fund custodianship and account signature for new signature cards by contacting Business Services, General Accounting Section.

Customers serviced by each account shall prepare purchase requests or reimbursement request in accordance with the operation instructions issued by the fund custodian, secure approval of the Manager responsible for the budget account against which the cost of the supply/service will be charged, and submit the request for reimbursement to the revolving fund custodian with the appropriate receipts supporting the claim. Receipts to support claims for reimbursement shall contain:

Cost of item.

Name of item (may be entered on cash register tapes next to the amount).

Name of company or firm from whom purchased.

Date of purchase.

Proof of payment evidence by one of the following itemized documents:

Cash register tape.

Invoice stamped "Paid".

Invoice marked "Paid" in longhand including name of company employee receiving payment.

Credit card receipt.

References: BP 6300
Education Code Sections 85266, 42800-5 and 42810.

Approved by Chancellor:

Date

Constance M. Carroll, Ph.D.

Reviewed by Cabinet on 9-22-09 and approved by concurrence.