

**SAN LORENZO
UNIFIED SCHOOL DISTRICT
BOARD POLICY**

Business and Noninstructional Operations

BP 3314.2 (a)

REVOLVING FUNDS

District Revolving Fund

The Governing Board has established by resolution a revolving cash fund for use by the Superintendent or designee in paying for goods, services and other charges determined by the Board, including supplemental payments required to correct any payroll errors. (Education Code 42800-42806, 45167)

At the request of the Board, County Auditor or County Superintendent of Schools, the Superintendent or designee shall give an account of the fund. (Education Code 42804)

The funds shall be deposited in a bank doing business locally, whose deposits are insured by FDIC. The Superintendent or designee shall be responsible for all payments into the account as well as expenditures from the account subject to the restrictions established by the Board.

The Board shall review and revise fund usage as appropriate.

The maximum allowable amount of the revolving cash fund is the lesser of: 1) two percent of the district's estimated expenditures for the current fiscal year, or 2) \$150,000 for fiscal year 1990-1991. The dollar amount limit for each district thereafter increases annually by the percentage increase in the district's revenue limit established by Education Code 42238.

Additional Revolving Funds

The Board also may, establish revolving cash funds for use by school principals and other administrative officials to pay for goods and services. The total amount of the funds shall not exceed three percent of the current year's instructional supply budget. (Education Code 42810)

No funds maintained in a revolving fund shall be used in an attempt to influence government decisions, for entertainment purposes, or for any other purpose not related to classroom instruction. (Education Code 42810)

The principal or designee shall be responsible for all expenditures from the fund and shall create a system for tracking fund expenditures. Each expenditure shall be supported by appropriate documentation.

Expenditures shall be reconciled and accounted for whenever the principal requests that the fund be replenished, at the end of the fiscal year, or at the request of the Superintendent or designee.

Business and Noninstructional Operations (continued)

BP 3314.2 (b)

The principal or designee shall ensure that the cash fund is kept in a safe and secure location.

The revolving cash fund for supplies shall be subject to the bonding provisions of Education Code 42801.

The Board shall provide an audit of revolving funds on a regular basis. (Education Code 42810)

Legal Reference:

EDUCATION CODE

35160 Authority of governing boards

41020 Audits of all district funds

42238 Local taxation by school districts

42800-42806 Revolving cash fund

42810 Revolving cash funds; use; administrators

45167 Error in salary