

Administrative Regulation

Petty Cash Funds, Procedures for Use of

A Revolving Cash Fund of \$200,000 has been approved for the district as provided in the Education Code. The custodian of the revolving cash fund is the chief business official, or the directors of business services.

The custodian of the fund is authorized to expend any portion of the fund for services or material, the securing or purchasing of which is a legal charge against the district, provided that no expenditures are made unless a receipt is obtained therefore setting forth the date and purpose of the expenditure and the amount expended. Reimbursements for expenditures from the revolving cash fund must be made at least monthly, supported by receipts or receipted invoices.

A petty cash fund may be provided to a school or department from the revolving cash fund of the district by the custodian of the fund. This administrative regulation and the following rules govern the provisions of a petty cash fund:

A. The form Request for Provision of a Petty Cash Fund must be completed by the principal or department head and approved by the appropriate associate or assistant superintendent to establish a petty cash fund or to change the amount of a previously established fund. (Form 9703.37)

B. A petty cash fund may be provided in even \$5 increments for not less than \$50 and not more than the following maximums:

K-6 Schools	\$500
7-8 Schools	\$500
9-12 Schools	\$700
Hare H.S.	\$500
Departments	\$500
Adult Education	\$700
Food Services	\$700

C. The principal or department head must provide a secure and safe place for the petty cash fund and will be responsible for restoring the fund to its full amount in the event of any shortages occurring between cash and receipts for payments.

1. In order to provide for cash security, all schools and departments with a petty cash fund shall establish a bank checking account for the fund.

2. The principal or department head is completely and fully responsible for authorizing expenditures, signing checks, reconciling the bank statements and maintaining the integrity of any bank account which is established for the petty cash fund.
- D. A request for reimbursement of expenses will be submitted to the accounting section. This request will be itemized on the Office Fund Voucher envelopes available from the accounting section; and receipts or receipted invoices for all expenditures must be enclosed in the envelopes to substantiate payments. Invoices must state specifically what items were purchased. Only legally authorized expenses will be reimbursed by the custodian of the revolving cash fund. Reimbursement requests may be made whenever the fund becomes depleted.
- E. The following are examples of expenditures which, if receipts are provided, may be made from school petty cash funds:
1. Emergency purchases of needed materials from businesses whose terms are cash payment including:
 - a. Classroom supplies not available through the regular warehouse supply or the routine purchasing process and which are few in number or small in dollar volume. Typically, such purchases should not exceed \$175 for any one group of items purchased at one time or location.
 - b. Office supplies in small quantities needed immediately because of an unanticipated or unusual circumstance.
 - c. Custodial items of a repair or minor nature needed to service or maintain a piece of equipment or building.
 2. Refund of payments for lost books which have been returned. Note: Copies of receipts for payments made to students or others on the return of lost books, etc., are a requirement for record purposes.
 3. Postage due or postage for mailings. Receipts must be obtained.
 4. C.O.D. shipments for items ordered which are legal expenses of the district and which do not meet minimum purchase order requirements.
 5. Bank charges for printing of checks, stop payment costs, and service fees.

- F. The following are examples of unallowable purchases or payments from petty cash funds:
1. Board approved conferences, conventions, meetings, and workshops that contain approval of all necessary expenses including meals, travel, registration, room, etc.
 2. Purchase of equipment, either new or used. Such items are to be purchased through the standard requisitioning procedures.
- G. The revolving cash fund of the district may be used for the following types of payments which are not available from petty cash funds:
1. To pay an employee whose time was not submitted prior to payroll deadlines, or when an error was made in computation, or a similar type of correction. This is actually an advance of an estimated amount due and is repaid from the payroll calculation on the succeeding payroll period. Only emergencies can be handled through the advance process.
 2. Travel advances for conferences and conventions, which are to be reimbursed at a later date, may be made from the revolving cash fund of the district.
 3. Other expense advances for Board authorized meetings or conferences.
 4. To purchase tickets for transportation authorized by the Board.
 5. Property of liability claim settlements as directed by the risk manager or claims administrator.
- H. The revolving cash fund of the district may continue to be used for any and all payments permitted by the Education Code even though a petty cash fund has been established for a school or department. Anticipated purchases requiring cash payments may be reimbursed through the revolving cash fund check process.
- I. A petty cash fund may be discontinued at any time by returning the fund intact with a written request that the fund be terminated, effective as of a specific date.

- J. A petty cash fund, once established, must remain at the school or department and cannot be transferred to another location. When a principal or department head transfers or retires from a school or department with a petty cash fund, the fund must be left intact at its maximum authorized amount. A principal or department head new to a location with an existing petty cash fund must either process a new Request for Provision of a Petty Cash Fund or return the fund to the custodian of the revolving cash fund.

Ref: EC Sections 42800-42806
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