

## **AP 6301      Revolving Cash Account**

### **Reference:**

California Education Code 88166 Purpose of Revolving

### **Cash Account**

- The CBO will establish a Revolving Cash Account at the banking institution authorized by the Board of Trustees. The amount of the revolving cash account will be set by the Board of Trustees, and can be increased by Board action as necessary to ensure a balance sufficient to address District needs. The CBO and other selected district authorized signers will be signatories on this account and will execute the necessary bank signature cards.

### **Payment for Goods and Services**

- Normally, payment for goods and services is made by Los Angeles County Office of Education (LACOE) warrant. If waiting for a warrant would be detrimental to the district's finances, a request should be made to the CBO or designee for a check to be issued from the Revolving Cash Account.
- The CBO or designee will review the circumstances and determine if it is appropriate to use the revolving cash account to make the payment.
- Under no circumstances will any amount be advanced for goods or services which are subject to the competitive bid process.
- Examples of instances that would necessitate issuing a check from the revolving cash account would include:
  - A substantial late fee or penalty would be avoided;
  - A substantial discount could be taken;
  - Payment is due when services are rendered, and there is not sufficient time to obtain a LACOE warrant.

### **Corrections of Payroll Errors**

- The revolving cash account may be used to correct payroll errors as provided in California Education Code Section 88166. An employee's supervisor should contact the Payroll Department immediately if an employee would face financial hardship if required to wait for a Los Angeles County Office of Education (LACOE) payroll warrant to be issued to correct a payroll error.
- The payroll staff will work with the supervisor to complete a detailed memo requesting a revolving cash account check be issued to the employee until a corrected payroll check can be issued by LACOE and received by the District Payroll staff.
- The memo should provide details regarding the circumstances of the payroll error, the calculation of the amount requested, and the details and timetable for receiving the corrected payroll check and reimbursing the revolving cash account.

## **Accounting Procedures**

- For goods and services payments, the revolving cash fund will be reimbursed from District funds through a LACOE warrant at least once per month.
- During the reimbursement process, all expenditures for good and services will be properly recorded in the correct expenditure accounts in the district's accounting records.
- For payroll error payments, the employee's corrected payroll check will be forwarded to Fiscal Services, and Fiscal Services will arrange with the employee for repayment of the advance check.

Last Date of Board Review: February 13, 2019