



**ASB  
PROCEDURES  
MANUAL**

# **REVOLVING FUNDS**

**REVISED  
10/18**

## INTRODUCTION

An ASB revolving fund is a district checking account established at a local commercial bank to allow schools to make **minor** disbursements by check for **certain approved** purchases when a purchase order is not feasible. Use of a p-card as an alternative to an imprest account check is allowable.

Each school may establish an ASB revolving fund checking account up to the maximum established by the Board of Directors for the convenience and efficiency of expediting disbursement, subject to the following: (See WAC 392-138-120)

1. The maximum amount of the revolving fund checking account shall be no more than is necessary for the highest month's disbursements.
2. The revolving fund checking account shall be initiated by deposit of, and replenishment of, a warrant drawn on the school's ASB fund.
3. Disbursements from the revolving fund checking account must be by check and shall be restricted to payment of invoices approved by the ASB Governing Body and the ASB advisor and those allowed by the Accounting Department.
4. All revolving requests must show evidence of student approval.
5. Revolving requests must be accompanied by forms, **original** receipts or invoices showing the exact amount requested for payment.
6. The revolving fund checking account shall be replenished once a month by a warrant drawn on the ASB fund in the sum total of the disbursements made in the revolving fund checking account during the preceding month.

## PROCEDURES

### A. Check Signers of the Revolving Account

**Authorized signers are school administrators and possibly the Activity Coordinator.** The custodian of the revolving account should not be a signer on the account. Each time an administrator is replaced the bank signature card must be renewed.

### B. Opening a Revolving Fund Checking Account

After the Board of Directors has approved a revolving fund, it is opened by issuing a district warrant from the ASB fund. The Board of Directors must approve a resolution authorizing the



maximum amount of the revolving fund before the Accounting Department can establish the checking account.

C. When to Use the Revolving Fund Checking Account

Upon direction of the central business office, a check can be written for the convenience and expediency of payment for ASB goods and services. Expenditures cannot exceed the balance of the account. Generally, purchases from the revolving fund are subject to a \$250 limit. A purchase is defined as a transaction documented by one receipt that is completed in one contact with a vendor. Not all checks under the dollar limit are allowed, especially if they are partial payments on larger purchases.

1. The following are subject to a **\$250 limit**. Payments must be authorized by student treasurer, advisor, and principal, or assistant principal or designee:
  - a. Purchases which require payment to accompany the order – examples might be books, subscriptions, or student registrations.
  - b. Purchases which require immediate payment. The interpretation of the term “immediate” is left to the principal, assistant principal or designee, but being inconvenienced does not constitute a need for immediate payment. Examples would include C.O.D. charges, emergency purchases, or purchases from vendors who will not accept purchase orders.
  - c. Refunds to students or parents for fees – examples of which include athletic fees and dance tickets.
2. The following are **NOT** subject to the \$250 limit other than the account’s available funds, or bid law:
  - a. Book clubs
  - b. Field trips
  - c. Postage/direct mail services
  - d. CPR cards and health cards
  - e. Music ensembles/contests
  - f. Meal \$ for students on ASB trips
3. The following types of expenditures CANNOT be made through revolving fund accounts:
  - a. Employee travel expenses – including mileage; meals; lodging; air, train or bus fares; parking fees; registration fees
  - b. Payroll expenses - all employee wages, including those paid for student employees or temporary employees, **must** be paid through the district payroll system by district warrant.
  - c. Independent consultant fees - for tax purposes payment must be made by the district accounts payable system.
  - d. Technology equipment or supplies – examples include hardware, software, and printer cartridges.



- e. Office supplies other than on an emergency basis – in order to comply with bid law we must purchase our office supplies through the vendor who has been awarded the office supplies contract.
- f. Employee expense reimbursements, except for those pre-authorized by the principal or assistant principal in an emergent situation.

#### 4. Other Considerations

Sales Tax: Purchases from out-of-state vendors do not always include state sales tax since these vendors may not be registered with the Washington State Department of Revenue. By law, the district must pay local compensating tax directly to the Department of Revenue on these purchases. The accounts payable department will charge this tax when the revolving fund replenishment is processed.

#### D. How to Use the Revolving Fund Checking Account


- Each expenditure made from the ASB revolving fund checking account must show prior approval of the ASB Governing Body and the ASB advisor.
- Student approval and original itemized vendor invoices, receipts and forms must be on file for each revolving check written. These items are attached to the revolving fund reimbursement form and submitted to the Accounting Department.
- Each check must be recorded in a check register by check number. All checks, including voids, must be accounted for in the register. Voided checks must be kept on file. **All voided checks must have the signature area removed.**

#### E. Depositing Into the Revolving Fund Checking Account

- The only deposits allowed to the revolving fund checking account are replenishment warrants and/or a return of change fund. Deposit change returned from checks written for student meal money to the revolving fund if the fund has not yet been reimbursed

#### F. Replenishing the Revolving Fund Checking Account

- A revolving fund reimbursement request must be completed at least once a month by statute.
- **DO NOT** overdraw a revolving fund checking account.

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- The Accounting Department will issue a replenishment warrant in the name of the fund custodian and school. Deposit the replenishment warrant directly to the revolving fund account.

G. Bank Statement Reconciliation

- Complete the bank statement reconciliation monthly and file according to district procedure. This task is usually completed by the fund custodian and approved by the building principal, assistant principal or designee. A copy should be sent to the Accounting Office.

Each year, the district is required to send outstanding (stale dated) warrants in excess of a year old to the State of Washington Unclaimed Property Department. Bookkeepers and Office Managers will be notified by the Accounting Department when this process is taking place and will be requested to prepare a list of checks that have been outstanding for a year or more. After Board approval, the checks are considered void. The total amount of the voided checks are added back to the revolving fund register. The Bookkeeper or Office Manager is then requested to send one check in the total amount of the voided checks to the Accounting Department. Unclaimed property from all locations is compiled by the Accounting Department and remitted to the State of Washington Unclaimed Property in November.