



Huntington Beach Union High School District Board Policies and Administrative Regulations

AR 3314.3
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Business & Non-Instructional Operations

Alternative Revolving Cash (ARC) Fund

1. Scope

To establish procedures for the implementation, administration and use of an Alternative Revolving Cash Fund for each school site.

This fund is established by Board resolution for use by the Principal of each site in an amount not to exceed one-thousand (1,000) dollars per site.

2. Procedures for establishing the ARC Fund

- a. The Director of Fiscal Services will obtain authorization from the Board and issue a District check to establish the fund.
- b. Each principal, as the designated custodian, will open a checking account at a local bank or other financial institution whose deposits are federally insured and obtain pre-printed checks. Checks must be imprinted on the face "Not valid for more than 300.00 Dollars". The account will be in the name of and the checks will be imprinted:

Huntington Beach Union High School District
Alternative Revolving Cash Fund - Name of School
Street Address
City, State, Zip
Telephone No.

- c. The District's federal Tax ID number will be used for this account.

3. Purpose

The ARC Fund gives each principal the ability to make immediate payments, to take advantage of savings from sales, to make purchases from vendors who will not accept a purchase order, to reimburse employees promptly for authorized purchases paid out-of-pocket, and to handle minor purchases of supplies and materials where issuing a purchase order would not be cost effective. All payments made from the Alternative Revolving Cash Fund will be charged to site budgets when that fund is replenished from the General Fund. It is not the purpose of the ARC Fund to shift purchasing responsibilities to the site or to replace or circumvent normal purchasing procedures and requirements.

- a. The fund custodian must approve all purchases in advance. Sufficient funds must be on deposit to cover all checks written. All checks must be completely filled out, showing payee and amount (no blank checks will be issued to suppliers or given to employees). No checks shall be issued for estimated amounts. Overdraft penalties and all other charges related to the account will be charged against the administrative budget of the site.
 - b. Proof of purchase as evidenced by the original itemized sales receipt, customer copy of a charge account slip, or cash register tape, is required for all purchases. If appropriate, the item must be marked or stamped as District property. Authorized mail order purchases made by employees will only be reimbursed from the ARC fund when proof of receipt (paid invoice, packing slip showing that payment was made) is submitted. The ARC fund may not be reimbursed from the General Fund without proper documentation. "Dummy Invoices" are not acceptable documentation. In addition, the purchaser's supervisor or the Receiving Clerk must certify with his/her signature that the item was in fact received at the site.
 - c. The maximum cost for a single item is \$ 200, or a total of \$ 300 for multiple items, including applicable sales tax and delivery charges. Purchases exceeding these limits must be placed in the usual manner through the Purchasing Department. Purchases may not be split to avoid this limitation.
 - d. Blank checks and reimbursement checks from the General Fund not yet deposited must be kept under lock and key. All other records such as bank statements, cancelled checks, voided checks, bank reconciliations, documentation supporting payments and reimbursements of the fund must be kept by the custodian or designee for three (3) full years and may then be discarded.
 - e. No moneys other than ARC funds are to be kept in the ARC account.
4. Authorized Uses:
- a. Cost of printing checks and bank charges, cost of stop payment notices
 - b. Ordering of authorized materials by mail where payment must accompany the order.
 - c. Purchase of or reimbursement to employees for supplies and materials which are legal expenditures of funds over which the Custodian has budget control, including, but not limited to:
 - books (excluding textbooks), pamphlets
 - instructional supplies and materials
 - office and custodial/maintenance supplies, keys

subscriptions
postage, mailing and shipping expenses

5. Prohibited Uses:

- a. Items readily available from site stock rooms
- b. Equipment (computers, printers, monitors, calculators, typewriters, VCRs, public address systems, projectors, duplicators, etc.)
- c. Equipment which uses supplies purchased by the District, such as copiers, FAX machines, printers, etc.
- d. Office or classroom furniture (desks, chairs, bookcases, computer work stations, tables, file cabinets, etc.)
- e. Payment for personal services provided by students, parents, staff, lecturers, consultants, and others, even if a contractual agreement was authorized. These transactions are subject to strict reporting requirements imposed by state and federal agencies and must be paid at the District.
- f. Gifts of any kind, loans, cashing of checks, awards to employees, salary advances or any payments which affect payroll or compensation.
- g. Payments for expenditures which require Board/District administrative approval such as:
 - conferences, travel , lodging, meals, refreshments, field trip expenses
 - dues and memberships
 - textbooks
- h. Traffic citations or penalty assessments of any kind
- i. Purchases against “open” purchase orders
- j. Any purchase which is not a legal expenditure.

6. Replenishing the ARC Fund:

- a. The fund is operating as an imprest fund. The ARC fund Custodian shall request reimbursement from the General Fund at least once a month by submitting a "Reimbursement Request - Alternative Revolving Cash Fund" (Attachment A). The General Fund will not reimburse the ARC fund for more than twice the authorized fund balance in any one calendar month.
- b. Documentation supporting every expenditure must be submitted with the reimbursement request via the School Business Assistant to Accounts Payable.
- c. Reimbursement from the General Fund for all properly documented expenditures will be in the form of a check for the approved amount, made out to the HBUHSD Alternative Revolving Cash Fund for the respective site. This check will be deposited by the Custodian or designee to replenish the ARC account.
- d. Within 7 working days after the end of a fiscal year (June 30) the Custodian shall submit a reimbursement request for all disbursements made through June 30, from the ARC fund. At that time, a listing, showing the detail for "ARC fund disbursements not yet requested from the General Fund", must be submitted for the auditors.

7. Reconciling the ARC Fund

The ARC bank account must be reconciled every month with the bank statement by the person designated by the Custodian. A copy of the bank reconciliation and the bank statement must be submitted to the Reports Section at the Education Center.

8. Internal Control

The Principal may delegate signature authorization, but only to administrative staff, if he/she determines a need for this. Expenditure reimbursements to the Custodian of the ARC fund must be countersigned by another administrator.

The person performing the reconciliation of the ARC fund shall not be an authorized signer.

The person writing checks and making deposits shall not be the one who also reconciles the ARC fund.

The records for the ARC fund are subject to audit or review by District Accounting Department Personnel and/or independent auditors.

9. Transferring or closing out the ARC Fund

When a Principal vacates his/her position, the fund must be reconciled before the responsibility is transferred to the new administrator.

If a school site wants to discontinue their ARC fund, a reconciliation is required before all remaining checks and funds are returned to the Director of Fiscal Services.

10. Liability for shortages and improper/illegal expenditures

The Principal, as the designated custodian, must be able to account for the fund total at all times. Illegal/unauthorized expenditures may become a personal liability of the fund custodian.

Adopted 1-14-97