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**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

Memo

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Michael L. Smith, Interim General Counsel

Board Meeting Date 5/8/2019

Subject Amendment, Board Policy – Business and Noninstructional Operations – BP 3314.2 District Revolving Funds and Renaming Board Policy to BP 3314.2 Revolving Funds

Action Requested and Recommendation Approval by the Board of Education of amendments to Board Policy – Business and Noninstructional Operations – BP 3314.2 District Revolving Funds and Renaming Board Policy to BP 3314.2 Revolving Funds

Background and Discussion Periodically modifications to board policies are recommended to align with changes in law or recommended best practices. The proposed modifications to the board policies reflect the District’s standards and are based on the California School Boards Association’s model policies.

The changes to the policy are shown on the attachment. The proposed deletions are indicated with **blue strikeouts**. The recommended additions are shown in **red**.

Fiscal Impact No direct funding implications

Attachments Board Policy BP 3314.2 Revolving Funds

OAKLAND UNIFIED SCHOOL DISTRICT

Board Policy

Business and Noninstructional Operations

BP 3314.2

~~District~~ Revolving Funds

The Governing Board has ~~established by resolution~~ a fiduciary responsibility to effectively manage and safeguard the district's assets and resources. ~~All revolving cash fund for use by the Superintendent or Deputy Superintendent of Business Services 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 Deputy Superintendent of Business Services 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 Deputy Superintendent of Business Services shall be responsible for all payments into the account as well as expenditures from the account~~ subject to the restrictions established by the Board internal control procedures established by the district to prevent and detect fraud, financial impropriety, or irregularity and shall be maintained in accordance with law and the California School Accounting Manual.

~~The Board shall review and revise fund usage as appropriate.~~

~~(cf. 3314 - Payment for Goods and Services)
(cf. 3400 - Management of District Assets/Accounts)~~

~~Additional~~ (cf. 3451 - Petty Cash Funds)
(cf. 3530 - Risk Management/Insurance)
(cf. 3551 - Food Service Operations/Cafeteria Fund)

The Superintendent or designee shall provide regular reports to the Board regarding the use of revolving funds and the results of any audits conducted on the funds.

~~(cf. 3460 - Financial Reports and Accountability)~~

Standard Revolving ~~Funds~~ Cash Fund

~~The~~ Pursuant to Education Code 42800, the Board ~~also may, by~~ has adopted a resolution, establish establishing a revolving cash funds fund for use by the chief accounting officer. The fund shall be used only for the purposes specified in the Board's resolution which may include, but are not limited to, payment for services or supplies for which there is an urgent deadline or to reduce the need for issuing numerous small warrants.

The chief accounting officer shall be covered by an individual bond or insurance in the amounts specified in law. He/she shall ensure that payments from the fund are for services or materials that are a legal charge against the district and that a receipt is obtained setting forth the date, payee, purpose of the expenditure, and amount expended. (Education Code 41021, 42801, 42801.5, 42804)

The Board may at any time reduce or discontinue the revolving cash fund. (Education Code 42805)

Alternative Revolving Cash Fund

Pursuant to Education Code 42810, the Board has adopted a resolution establishing a revolving cash fund 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)~~staff. The fund shall be used for services or materials related to classroom instruction or to correct an error in a classified employee's salary pursuant to Education Code 45167, as specified in the Board's resolution.

~~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 Board shall name the administrators who will have use and control of the funds. Officials so named shall be responsible for all payments into the accounts as well as expenditures from the accounts, subject to restrictions established by the Board.~~

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

~~(cf. 3530—Risk Management/Insurance)~~

The ~~Board shall provide an audit of~~principal or administrative staff member in whose name the revolving ~~funds on a regular basis~~cash fund is created shall be responsible for all fund expenditures, subject to Board regulation. (Education Code 42810)

Legal Reference:

EDUCATION CODE

35160 Authority of governing boards

35250 Duty to keep certain records

38091 Cafeteria revolving accounts

41020 Audits of all district funds

41021 Requirement for employee's indemnity bond

41365-41367 Charter school revolving loan fund

42238 Revenue limits

42238.01-42238.07 Local ~~taxation by school districts~~control funding formula

42630-42652 Orders, requisitions, and warrants
42800-42806 Revolving cash fund
42810 Revolving cash funds; use; administrators
42820-42821 Prepayment revolving cash fund
45167 Error in salary

Management Resources:

WEB SITES

California Department of Education, Finance and Grants: <http://www.cde.ca.gov/fg>

Fiscal Crisis and Management Assistance Team: <http://www.fcmat.org>

7/14/04; 5/8/19A (if adopted)

OAKLAND UNIFIED SCHOOL DISTRICT

Board Policy

Business and Noninstructional Operations

BP 3314.2

Revolving Funds

The Governing Board has a fiduciary responsibility to effectively manage and safeguard the district's assets and resources. All revolving cash funds shall be subject to the internal control procedures established by the district to prevent and detect fraud, financial impropriety, or irregularity and shall be maintained in accordance with law and the California School Accounting Manual.

(cf. 3314 - Payment for Goods and Services)
(cf. 3400 - Management of District Assets/Accounts)
(cf. 3451 - Petty Cash Funds)
(cf. 3530 - Risk Management/Insurance)
(cf. 3551 - Food Service Operations/Cafeteria Fund)

The Superintendent or designee shall provide regular reports to the Board regarding the use of revolving funds and the results of any audits conducted on the funds.

(cf. 3460 - Financial Reports and Accountability)

Standard Revolving Cash Fund

Pursuant to Education Code 42800, the Board has adopted a resolution establishing a revolving cash fund for use by the chief accounting officer. The fund shall be used only for the purposes specified in the Board's resolution which may include, but are not limited to, payment for services or supplies for which there is an urgent deadline or to reduce the need for issuing numerous small warrants.

The chief accounting officer shall be covered by an individual bond or insurance in the amounts specified in law. He/she shall ensure that payments from the fund are for services or materials that are a legal charge against the district and that a receipt is obtained setting forth the date, payee, purpose of the expenditure, and amount expended. (Education Code 41021, 42801, 42801.5, 42804)

The Board may at any time reduce or discontinue the revolving cash fund. (Education Code 42805)

Alternative Revolving Cash Fund

Pursuant to Education Code 42810, the Board has adopted a resolution establishing a revolving cash fund for use by school principals and other administrative staff. The fund shall be used for services or materials related to classroom instruction or to correct an error in a classified

employee's salary pursuant to Education Code 45167, as specified in the Board's resolution.

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

The principal or administrative staff member in whose name the revolving cash fund is created shall be responsible for all fund expenditures, subject to Board regulation. (Education Code 42810)

Legal Reference:

EDUCATION CODE

- 35160 Authority of governing boards*
- 35250 Duty to keep certain records*
- 38091 Cafeteria revolving accounts*
- 41020 Audits of all district funds*
- 41021 Requirement for employee's indemnity bond*
- 41365-41367 Charter school revolving loan fund*
- 42238 Revenue limits*
- 42238.01-42238.07 Local control funding formula*
- 42630-42652 Orders, requisitions, and warrants*
- 42800-42806 Revolving cash fund*
- 42810 Revolving cash funds; use; administrators*
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7/14/04; 5/8/19A (if adopted)



5/9/19

Aimee Eng
President, Board of Education



5/9/19

Kyla Johnson-Trammell
Secretary, Board of Education