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GENERAL 8100

(Revised 9/2007)

General procedures relevant to the handling of all types of cash transactions are contained in SAM Sections 8000–8099. Specific procedures relevant to revolving fund transactions are contained in SAM Sections 8100–8193. Procedures to replenish the revolving fund for cash deficiencies are provided in SAM Section 8072.

In accordance with Government Code Section 16400, an agency may establish a revolving fund from any appropriation made to such agency subject to the following limitations:

1. No approval is required if the revolving fund will not exceed three percent of the total appropriation.
2. Approval of the Department of Finance budget analyst is required if the revolving fund will exceed three percent but not 10 percent of the total appropriation.
3. Approval of the Department of Finance Program Budget Manager and the State Controller is required if the revolving fund will exceed 10 percent of the appropriation.

   To establish or augment an office revolving fund, agencies will prepare a Claim Schedule form, STD.218 (Continuous) and a Remittance Advice form, STD. 404c. On the claim schedule face sheet, agencies will enter the agency's office revolving fund as the payee. The State Controller's Office (SCO) will issue and mail a warrant payable to the agency for the amount of the claim schedule. Upon receipt of the warrant, the agency will deposit the warrant into the agency's checking account to establish or augment the office revolving fund.

PERMISSIBLE USES 8110
(Revised 2/1998)

Revolving funds drawn under the provisions of Government Code Section 16400 may be used only, in accordance with law, for payment of compensation earned, traveling expenses, traveling expense advances, or where immediate payment is otherwise necessary (Government Code Section 16401). In determining whether immediate payment is necessary, the determining factor is whether payment could be made through the normal claim processing procedure and a State Controller's warrant issued.

Sufficient spending authority (Budget Act appropriation) must exist for the related fiscal year of the revolving fund disbursement. Revolving fund disbursements made prior to the enactment of the related Budget Act are not in accordance with Government Code Section 16401. Therefore, in the time period after June 30 and prior to enactment of the current year Budget Act, proper revolving fund disbursements for the prior year may be allowable; revolving fund disbursements for the current year are not.

SAM Sections 8111–8123 detail some of the most common uses of the revolving fund.

CHANGE FUNDS **8111**
(Renumbered 2/1965)

Change funds may be established to provide cash in denominations and amounts necessary to permit the making of change in the day-to-day cash collecting operations of an agency.

AMOUNTS AUTHORIZED 8111.1

(Revised 10/1979)

Agencies are authorized to have change funds exceeding $100 only if they have safes, vaults, or money chests that are adequate to safeguard cash.

Each change fund in excess of $500 will be established only after approval of the Fiscal Systems and Consulting Unit, Department of Finance.

ACCOUNTABILITY **8111.2**
(Revised 4/1992)

The custodian will be personally responsible for the amount advanced from the revolving fund. Transfers of custody will be accomplished only after: (a) personal audit of the fund has been made by the employees directly concerned; and (b) a receipt has been given by the newly assigned custodian to the custodian being relieved. A copy of such receipt signed by both parties will be delivered to the Accounting Officer. An employee other than the custodian of the change or petty cash fund will count it in accordance with the following schedule and report the count to the Accounting Officer.

SIZE OF FUND	FREQUENCY OF COUNT
$200.00 or less	Annually
$200.01 to $500.00	Quarterly
$500.01 to $2,500.00	Monthly
Over $2,500.00	Monthly, if not prescribed more frequently by Fiscal System and Consulting Unit, Department of Finance

CASH PURCHASE FUNDS 8112

(Revised 1/1981)

Cash purchase funds, operated on an imprest basis, provide cash for purchases or services not to exceed $50 (exclusive of sales tax) per purchase or service. The total amount advanced rather than cash on hand will be shown in the monthly reconciliation of revolving fund resources.

LIMITATIONS **8112.1**
(Revised 9/1990)

There are no limitations as to the number of sub-revolving funds established from each revolving fund appropriation such as change funds or cash purchase funds provided an agency follows the criteria set forth in SAM Section 8100–8199 for each sub-revolving fund established.

Cash purchase funds will not:

1. Exceed $200 for each fund, except that cash purchase funds of as much as $750 are authorized where: (a) a fund of lesser size would normally require replenishment more often than once a month; and (b) a safe, vault, or money chest adequate to safeguard cash is used.
2. In any way expand the list of types of items agencies are allowed to buy without clearing their requests through the Office of Procurement. See SAM Chapter 3500.

INVOICES **8112.2**
(Revised 11/1971)

Invoices received for cash payment for purchases or services will be on a Disbursement Voucher, STD. 439, or on a vendor's form acceptable to the State Controller's Office, except that STD. 262 will be used for traveling expense. Disbursement Voucher, STD. 439, will be prepared in duplicate; the original will be attached to the Claim Schedule and the copy will be retained by the agency.

PAYEE DATA 8112.3

(Revised 3/2013)

A vendor must complete the Payee Data Record, STD. 204, before payment is issued by the state department. The properly completed STD. 204 will provide, among other data, the vendor's taxpayer identification number and will be used to determine whether the payment(s) to the vendor is reportable (refer to SAM Section 8422.19 and 8422.190). The STD. 204 will be retained on file by the state department business services or accounting offices as determined by each state department policy.

RESOURCES **8112.4**
(Renumbered 2/1965)

Resources consist of cash on hand, unreimbursed invoices, and uncashed revolving fund checks received in reimbursement of invoices.

REIMBURSEMENTS **8112.5**
(Renumbered 2/1965)

The custodian will present invoices at least once each month. Based upon these invoices, a check will be issued to replenish the cash purchase fund.

ACCOUNTABILITY **8112.6**
(New 1/1976)

The accountability for cash purchase will be the same as for change funds. See SAM Section 8111.2.

DISCOUNT INVOICES **8113**
(Revised 3/2013)

Invoices will be paid by revolving fund checks when all of the following conditions apply: 1) The discount percentage is at least one-half of one percent with a minimum amount of $5.2) The discount period is too short to permit payment by State Controller's Office (SCO) warrant.

If time permits, state departments should always submit claims to the SCO for payment by warrant. The SCO's processing time is within 15 days of receipt of a valid and correct claim schedule, not exceeding 45 days from the state department's receipt date to avoid late payment penalty fees (see SAM section 8474 for further information). State departments may request the SCO to expedite a claim schedule based on their interagency agreement with the SCO.

Daily issuance of revolving fund checks to pay discounted invoices often results in the issuance of several revolving fund checks to the same vendor in the same day or week. To streamline the process, state departments should accumulate discounted invoices and pay weekly, or less frequently than daily, without losing cash discounts. This may be accomplished by filing such invoices alphabetically by vendor name and paying them at scheduled intervals, such as vendors A–F on Monday, G–L on Tuesday, etc. See SAM Section 8422.1 for additional information.

PURCHASE OF FEDERAL PUBLICATIONS **8114**
(Revised 8/1992)

A revolving fund check will be used to purchase federal publications whenever a remittance must accompany the order. See SAM Sections 3580.

PURCHASE OF POSTAGE **8115**
(Revised 11/1998)

Postage will be purchased by revolving fund check because payment is required at the time of purchase.

UNITED PARCEL SERVICE METER PREPAYMENT 8115.1

(Revised 03/2013)

United Parcel Service metered accounts may be prepaid by revolving fund check. For additional information regarding parcel delivery service, see SAM section 3836.

TRAVEL ADVANCES AND TRAVEL EXPENSES 8116
(Revised 04/2012)

Departments may issue a revolving fund check for a travel advance to an employee or reimburse the employee who uses personal funds for travel expenses while conducting official state business.

The majority of the departments are processing travel requests through the California Automated Travel Expense Reimbursement System (CalATERS). However, for non-CalATERS departments, travel requests will be processed through the departments' revolving fund check request process.

Requirements for issuance of travel advances and submission of travel expenses:

1. The travel advance will be issued within 10 calendar days of when the anticipated expenses are to be paid or incurred. Departments may issue travel advances within 20 calendar days of when the anticipated expenses are to be paid or incurred when the travel advance is required to be mailed to the employee.

2. The travel advance amount must be reasonably calculated not to exceed the estimated expenses to be paid or incurred on the trip. To ensure that the travel advance amount is not excessive, the travel advance request should be reviewed and approved by the same person who approved the trip.

3. If a trip is canceled or postponed indefinitely, the travel advance must be returned immediately.

4. A properly prepared Travel Expense Claim (TEC) to substantiate the travel expenses must be submitted no later than 10 calendar days after the trip(s). If the travel advance exceeds the substantiated expenses, the employee must also submit a check or money order to return the excess travel advance amount. For employees who are not required to travel on more than one trip per month, additional advances will not be issued for future travel unless the outstanding advances have been cleared. Departments may issue additional travel advances for employees who are required to travel on multiple trips within a month. Additional advances will not be allowed if the employee does not submit a TEC or return the excess advance amount within 10 days of each trip.

(Continued)

(Continued)
TRAVEL ADVANCES AND TRAVEL EXPENSES **8116** (Cont. 1)
(Revised 04/2012)

1. If the substantiated expenses exceed the travel advance, the employee will be paid the difference with a revolving fund check or SCO warrant/direct deposit payment. If processed through CalATERS, the disbursement to the employee will follow how the employee's regular payroll warrant is disbursed. For example, if the employee has a direct deposit, then the travel reimbursement to the employee will be paid through direct deposit.

Departments must comply with the above time requirements to avoid reporting travel advances as taxable wages discussed in SAM section 8116.3.

RECOVERY OF OUTSTANDING TRAVEL ADVANCES 8116.1

(Revised 12/2011)

Departments must adhere to the provisions of Government Code section 19838 and SAM section 8776.7 regarding notification and collection of overpayments from employees. In addition, the following procedures which are specific to the collection of travel advances will be followed:

1. A monthly notification must be sent to request employees who have travel advances but have not submitted a TEC to substantiate the travel expenses and/or have not returned any excess travel advance amount. An example of a memorandum is shown in 8116.1 Illustration.

2. If an employee does not submit a TEC to substantiate the travel expenses within 15 calendar days of the monthly notification date, the total amount of outstanding advances must be deducted from the employee's next regular payroll warrant(s).

3. If an employee does submit a TEC within 15 calendar days of the notification date, but does not return any excess travel advance amount within the same 15 calendar days, the excess travel advance amount must be deducted from the employee's next regular payroll warrant(s).

4. If the amount of the revolving fund check paid to the employee exceeds the amount of the State Controller's reimbursement (due to claim correction by SCO), the employee must reimburse the revolving fund for the difference. The amount owed to the revolving fund must be returned no later than 15 calendar days of the notification date. If the employee does not clear the outstanding amount, it must be deducted from the employee's next regular payroll warrant(s).

5. If an employee has payroll direct deposit, the notification must inform the employee that if the excess travel amount was not returned within the 15 calendar days of the notification, the direct deposit will be cancelled and the payroll deduction for the outstanding travel advance amount will be made in the next regular payroll warrant(s).

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RECOVERY OF OUTSTANDING TRAVEL ADVANCES **8116.1** (Cont. 1)
(Revised 12/2011)

An example of "deducted from the next regular payroll warrant" for items (2) and (3) above is as follows:

02/01/11 Travel advance is issued to the employee
02/10/11 Travel date of employee
02/17/11 End date of employee travel
02/27/11 TEC should be submitted and/or return excess travel advance

Actions for non-compliance:

02/27/11 Employee does not submit a TEC or return the travel advance
03/01/11 Employee is sent a monthly notification to request him/her to submit a TEC or return the travel advance by 03/15/11. (The 1st of the month is the department's established mail out date for the monthly notification)
03/16/11 Employee does not submit a TEC or return the travel advance. (This is 15 calendar days from the notification date). Outstanding advance amount will be deducted from the employee's current regular payroll warrant

Note: For an employee who has direct deposit, the department accounting or personnel office must send a notification to SCO by the 15th of the month to cancel the direct deposit.

STATE ADMINISTRATIVE MANUAL

OFFICE REVOLVING FUND

State of California

MEMORANDUM

Date : March 1, 2011

To : (Name of Employee)

From : (Name of Department)

Subject: Monthly Statement of Travel Advances

The purpose of this monthly statement is to notify you of outstanding travel advances, where no travel expense claims (TEC) have been submitted to substantiate expenses and/or you have not returned all outstanding travel advance amounts. As of February 28, 2011, our records indicate that the following travel advances are outstanding:

Issuance Date of Travel Advance	Amount of Travel Advance	Amount of TEC	Outstanding Advance Amount
Feb. 4, 2011	$ 500	$ 480	$ 20
Feb. 10, 2011	$100	0	$100
	$ 600	$ 480	$ 120

Please clear the outstanding advance amount of $120 by submitting a properly prepared TEC and/or a check no later than March 16, 2011 (15 calendar days from the date of this monthly statement).

If the properly prepared TEC is not submitted and all outstanding travel advance amounts are not returned by March 16, 2011, the $120 will be deducted from your payroll warrant for the March 2011 pay period.

If you are currently on direct deposit for payroll, the direct deposit will be cancelled and a payroll deduction for the outstanding travel advance amount will be made in your next regular payroll warrant(s).

If you have any questions, please call (name of contact person) at (telephone number of contact person).

Departmental Accounting Officer

8116.1 ILLUSTRATION

TRAVEL ADVANCES FOR LOW-INCOME ADVISORY BOARD OR COMMITTEE MEMBERS 8116.2

(Revised 12/2011)

Departments may issue a revolving fund check as an advance for anticipated travel expenses to designated low-income advisory board or committee members. This policy enables members with insufficient economic resources to pay their travel expenses necessary to perform their official duties. The determination of qualifying advisory boards and committees, designation of low-income members, and the scope of travel involved in the members' official duties will be made by the director of the department or agency.

Departments issuing temporary travel advances to low-income advisory board or committee members will follow the procedures for travel advances and revolving funds outlined in SAM sections 8100 to 8193. In addition, the following procedures are required:

a. A strict accountability method will be established to assure that travel advances are for the purposes of official State business only.

b. A properly prepared TEC to substantiate the travel expenses must be submitted within 10 calendar days after the official function or activity. If the travel advance exceeds the substantiated expenses, the member must submit a check or money order with the TEC to return the excess travel advance amount. If the substantiated expenses exceed the travel advance, the member will be paid the difference with a revolving fund check.

c. Only one travel advance per member will be approved per function or activity.

d. Each member will be allowed only one outstanding travel advance at any given time.

e. A special subsidiary record of these travel advances will be maintained by the departments in sufficient detail to insure compliance with the above provisions. This record should include:

   - Name of the member receiving the travel advance
   - Nature and date of the scheduled official function or activity
   - Amount of the travel advance
   - Date the TEC is due
   - Date and amount of substantiated travel expenses claimed
   - Any balance due
   - Date balance due is repaid and/or collection effort undertaken

COMPLIANCE **8116.3**
(Revised 12/2011)

The intent of the travel expense policies and procedures is to avoid reporting travel advances as taxable wages or compensation by deducting it from an employee's payroll warrant if the submission requirement of the travel expense claim is not met. In state government, unlike in private industry, a travel advance is never provided as additional wages or compensation, which is a gift of state funds. The Constitution of California prohibits the gift of state funds.

If a department fails to satisfy these requirements, IRS penalties could occur. Any IRS assessed penalties and interest for non-compliance will be paid from the department's support appropriation(s).

SALARY ADVANCES 8118

(Revised 12/2011)

Revolving fund checks may be issued to compensate employees for time worked under the following circumstances:

1. Salary advances under the conditions in SAM section 8595.
2. Situations where the regular payroll warrant should not be issued to the employee. For example:
   - A department withholds amounts from an employee.
   - The regular payroll warrant is incorrect.

OUT-SERVICE TRAINING—REGISTRATION FEES 8120

(Revised 8/1972)

Registration fees for attendance at training courses under approved out-service training programs may be paid directly by the agencies by revolving fund check. Claims for reimbursement must be supported by a receipt or certification listing names of employees attending and the amount of the fee for each.

INSTITUTION CASH PAYMENT FUNDS 8121

(Revised 3/1996)

Each institution may establish one "Cash Payment Fund" not to exceed $10,000. The $10,000 cash payment fund maximum may be increased only upon written approval from the Department of Finance, Fiscal Systems and Consulting Unit. The amount actually established by an institution should not exceed that institution's reasonable needs consistent with reimbursement at least weekly and, of course, is subject to review. This fund must be placed in a safe or vault for safekeeping during hours that the office is open. This fund will be withdrawn from the Revolving Fund and operated on an imprest cash fund basis. Funds are to be used to provide cash to persons paroled, discharged, or going on leave or visit. Fund disbursements are limited to: (a) partial or full settlement of their trust accounts and (b) parole, discharge, leave, or visit allowances from State funds.

The persons to whom cash is disbursed must sign a properly completed disbursement voucher acknowledging receipt of the cash. Two distinctly different disbursement voucher forms will be used to disburse cash.

Revolving Fund Disbursement Voucher, STD. 438, will be used when cash allowances from State funds are given to persons who are paroled, discharged, or going on leave or visit. These vouchers, properly signed by the persons leaving the institution, will be retained by the custodian of the Cash Payment Fund until they are exchanged for a Revolving Fund check weekly or at such times as may be necessary. The Revolving Fund will be reimbursed through the ordinary Revolving Fund claim procedure.

Depositors Disbursement Voucher, STD. 567, will be used when cash is given to persons leaving the institution as either partial or full settlement of their trust accounts. The originals of these vouchers, properly signed by the persons leaving the institution, will be retained by the custodian of the Cash Payment Fund until they are exchanged for a Cash Trust check weekly or at such times as may be necessary.

The depositors' accounts will be charged immediately (and as of the cash payment date) from the duplicates of the Depositors Disbursement Vouchers acknowledging receipt of the cash. The Depositors Disbursement Voucher number or batch number will be shown in the posting to the Depositors Ledger. The entry in the Cash Trust Disbursements Register will show the date of the check and also the inclusive numbers of the withdrawal documents received from the custodian of the Cash Payment Fund.

Should normal routine prevent immediate posting to the depositors' accounts, the amount and voucher number should be noted on the depositor's ledger card at the time cash is disbursed.

Should the amount to be disbursed, in partial or full settlement of a depositor's trust account, represent an excessive amount of cash, the excess will be disbursed by check. Such checks should not be cashed by the institution.

ACCOUNTABILITY **8121.1**
(New 3/1982)

The accountability for cash payment funds will be the same as for change funds.

(See SAM Section 8111.2.)

TEMPORARY ADVANCE FOR WORKING FUNDS—U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT **8122**
(New 11/1/1968)

The United States Agency for International Development provides in its standard agreement with its contractors (e.g., State colleges) for an initial advance for the purpose of establishing a working fund. This working fund operates on an imprest basis and is reimbursed periodically through the submission of expenditure vouchers to the Federal agency.

Ordinarily, this initial advance can be obtained when it is needed, and there is no necessity for an advance from the departmental office revolving fund. However, if necessary, the money may be advanced from the office revolving fund until the corresponding initial advance is received from the Federal agency and deposited in the office revolving fund. If such amount received is less than the amount advanced from the office revolving fund, the difference will be returned promptly to fully reimburse the office revolving fund.

BANK DRAFTS **8123**
(New 6/1982)

Bank drafts are payment instruments used by authorized agencies to make purchases of goods and services under certain circumstances. (See SAM Section 8124.) Vendors, who accept bank drafts, deposit them in their bank as they would checks. The bank drafts are then delivered through the banking system to an agency's contracted bank for payment.

Prior to being redeemed by the agency's bank, the bank drafts are delivered to the agency for review. The contracted bank pays all bank drafts not rejected by the agency within 24 hours after delivery to the agency. The contracted bank pays for the bank drafts out of a special agency account it maintains.

A draft purchase voucher (DPV) is prepared along with the bank draft at the time of each purchase. The draft purchase voucher provides the agency with cost data and internal control information. The draft purchase voucher is used during the 24-hour bank draft review period to determine the propriety of each bank draft purchase.

BANK DRAFT PURCHASES 8124

(Revised 6/2000)

The bank draft system is used by State agencies with field operations where normal payment methods, particularly cash purchase funds, are difficult to maintain or impractical to use.

State agencies may use bank drafts for purchases that have all of the following conditions:

a. Immediate payment is necessary.

b. Purchase is an over-the counter transaction.

c. Vendor is reluctant to accept a subpurchase order or unable to accept CAL-Card.

d. Alternative payment methods (e.g., the cash purchase fund or the revolving fund) are not available.

e. Dollar amount of the purchase is $500 (inclusive of taxes) or less. The limit may be increased with approval from DOF (FSCU).

The following are **improper** uses of bank drafts:

a. Paying for multiple invoices and credit card purchases.

b. Mailing bank drafts to vendors.

c. Using bank drafts to avoid the use of subpurchase orders.

d. Allowing headquarter's accounting personnel to use bank drafts.

e. Splitting purchases to avoid the $500 limit or other DOF (FSCU) approved limits.

BANK DRAFT SYSTEM AUTHORIZATION 8125

(Revised 6/2000)

State agencies need approval from DOF (FSCU) to establish the bank draft system and to exceed the $500 limit for bank draft purchases. Requests should include the following:

a. Intended use of and need for the bank draft system.

b. Expected number of cash purchase transactions that would be replaced annually by the system.

c. Average dollar amount per cash purchase transaction.

d. Expected dollar amount of cash purchase funds that would be returned to the State agency revolving fund or reasons why the cash purchase funds should be maintained at the current level or a reduced level.

e. Expected dollar amount to be advanced from the revolving fund to an account maintained by the contracted bank.

The following certification is required:

> "I certify that the above information is true and correct and that the bank draft system, if approved, will not be used to circumvent the normal procurement process.
>
> _____
> Fiscal or Accounting Officer"

If approved, DOF (FSCU) will issue instructions for selecting a bank and for establishing and operating the system. When the State agency finds a bank to contract with for bank draft services, the State agency must also receive approval from DOF (FSCU) for a bank account outside the centralized State Treasury System. (See SAM Section 8002.)

Approval of the bank draft system does not include delegation authority to make purchases in excess of $100. State agencies must obtain approval from the Department of General Services, Procurement Division. (See Public Contract Code Section 10308.)

CUSTODIANSHIP **8130**
(Renumbered 2/1965)

The custodian will be personally responsible for the amount advanced from the fund in treasury.

RECEIPTS AND DISBURSEMENT VOUCHERS 8140

(Revised and Renumbered 2/1965)

Receipts for amounts received by the revolving fund will be prepared in accordance with SAM Section 8020.

Disbursement vouchers to be receipted by payees of revolving fund checks will be made only if the vendor does not provide invoices for these purchases. Revolving Fund Disbursement Voucher, STD. 438 can be prepared as a carbon copy of the revolving fund check. These vouchers for payments by revolving fund check are used in lieu of invoices in reimbursement claims filed with the State Controller's Office. Agencies will not require employees to sign for receipt of revolving fund checks. See SAM Section 8112.2 for cash purchase fund disbursement vouchers.

ENDORSEMENTS **8160**
(Revised 3/1987)

Section 17050 of the Government Code provides that any person authorized to make payments from a revolving fund may, without requiring a power of attorney from the employee: (1) endorse a check drawn by the agency or a warrant drawn by the Controller in payment of a claim submitted by the agency that is payable to an employee owing the agency revolving fund; (2) deposit the check or warrant in the revolving fund to reimburse that account; and (3) pay the balance to the employee. When salary warrants are so deposited, they will not be deposited before their date of issue because they cannot be accepted by the State Treasurer's Office before the date of issue.

The State Treasurer's Office has authorized the use of the following endorsement when endorsing a check pursuant to Section 17050 of the Government Code.

_____

(Name of Payee)

By_____

(Title and Department)
Attorney in fact
Under provision of Section 17050 of
the Government Code of California

The above endorsement will be followed by the normal endorsement used by agencies for depositing checks and warrants in the centralized State Treasury System. See SAM Section 8034.1 for an illustration of this endorsement.

See SAM Section 8034.2 for the deposit of an erroneous warrant in the office revolving fund.

CLAIMS **8170**
(Revised 9/2007)

The processing of purchase and expense claims will be in accordance with the general instructions in SAM Section 8422.

There are two methods to reimburse an agency's office revolving fund through the claim schedule process:

- Reimbursement claim schedules
- Replenishment claim schedules

When the reimbursement process is used, agencies will prepare a Claim Schedule form, STD. 218 (Continuous) and a Remittance Advice form, STD 404c. On the face sheet, agencies will enter the agency's office revolving fund as the payee. The SCO will issue a warrant payable to the agency for the amount of the claim schedule. Upon receipt of the warrant, the agency will deposit the warrant into the agency's checking account to reimburse the office revolving fund.

When the replenishment process is used, agencies will use a Replenishment Claim Schedule (Treasury Trust) form, STD. 219TT, or an STD. 218 (Continuous) for CALSTARS agencies. On the face sheet, agencies will enter their agency checking account number as the payee. The SCO will transfer the amount of the claim schedule to the agency's checking account. Agencies will receive a journal entry (TC-48) which charges the agency's appropriation and increases the agency's checking account to replenish the office revolving fund. The document number of the journal entry is the claim schedule number. The journal entry number will be listed as a deposit on the monthly bank statement.

For both types of claim schedules, agencies will submit the appropriate invoices and vouchers to the SCO, Division of Audits, Claim Audits Section. The revolving fund check numbers can be either listed on the claim schedule face sheet or posted on each invoice or voucher. Both claim schedule forms are available from the Department of General Services' website at: www.osp.dgs.ca.gov/StandardForms/Default.htm.

When a reportable payment has been made from an agency's office revolving fund, agencies must ensure that information is provided to Franchise Tax Board. See SAM Section 8422.19.

OVERAGES 8171

(New 3/1987)

Cash overages in a change fund, cash purchase fund, or cash payment fund will be credited to Account No. 3710, Cash Overages, at the time of identification. All cash overages will be cleared as revenue or operating revenue at least once each quarter.

SHORTAGES **8172**
(Revised 9/2007)

Cash shortages in a change fund, cash purchase fund, or cash payment fund will be established as an accounts receivable from the custodian at the time of identification. Revolving Fund Disbursement Voucher, STD. 438, will be prepared for the amount of the shortage and a revolving fund check will be issued to reimburse the cash fund for the shortage. Procedures in SAM Section 8072 will then be followed to reimburse the revolving fund.

INTERNAL CONTROL **8180**
(Revised 3/1982)

See SAM Section 8080 for separation of duties.

Circumstances may arise where an advance is required immediately and the submission of a written request is not practical. In such cases a telegram or telephone call will suffice. A request by telegram, approved by the employee authorized to approve requests, will constitute a written authorization. In the case of a request by telephone, the employee authorized to approve requests will prepare a written authorization.

Telephone and telegraph requests will be accepted only from the employees authorized to approve a travel advance request of the person concerned. Such requests will be confirmed by the traveler submitting (and the authorized employee approving) a travel advance request marked "confirming." No check will be prepared pursuant to such "confirming" request.

Employees are prohibited from authorizing revolving fund checks payable to cash or themselves.

ACCOUNTING 8190

(Revised 3/1987)

Each agency will maintain a Cash Book and Receivables Ledger to account all transactions of the revolving fund. At all times the balance of the Cash Book plus the balance of the accounts in the Receivables Ledger should equal the amount advanced to the revolving fund from the fund or funds concerned. The balance of Account No. 1130, Revolving Fund Cash, of the applicable fund or funds will show the amount advanced.

CASH BOOK **8191**
(Renumbered 7/1976)

The Cash Book normally will be a debit, credit, and balance record. This record will be debited with remittances received and credited with revolving fund checks drawn. A Sundry Purpose Register, STD. 341, may be used for Cash Books kept manually. The following is an illustration of a Cash Book:

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REVOLVING FUND CASH BOOK

Date 19____	Reference	Debit	Credit	Balance
July 1		$10,000.00		$10,000.00
1	CK 250–280		$2,500.00	7,500.00
3	CK 281		375.00	7,125.00
10	CK 282–289		150.00	6,975.00
14	CK 279 voided		–75.00	7,050.00
14	Warrant 01–122334(1)	642.50		7,692.50
17	Warrant 01–223456(1)	240.00		7,932.50

(1) Enter as of date of deposit.

RECEIVABLES LEDGER 8192

(Revised 3/1987)

The Receivables Ledger normally will be a debit, credit, and balance record.

The Receivables Ledger normally will consist of an account for:

1. Each employee receiving a revolving fund check for a travel advance.

   Each employee's account will be charged with amounts advanced from the revolving fund prior to the time travel is performed. The employee's account will be credited with amounts returned to the revolving fund by the employee and with the amounts of audited travel vouchers applied to reduce the advance. The amounts of audited vouchers credited to the individual employee accounts receivable will be charged to the "Travel Vouchers for Travel Performed" account receivable pending receipt of the warrant to reimburse the revolving fund.

2. Travel Vouchers for travel performed.

   This account will be charged with the amounts of audited travel vouchers which have been paid from the revolving fund in reimbursement of travel performed. It will be credited as of the dates of the deposit slip and with the amount of the warrant deposited to reimburse the revolving fund.

3. Each employee receiving a revolving fund check for compensation earned. (Agencies may record all such transactions in a single account.)

   These accounts will be charged with the amount of the revolving fund checks issued and credited when the revolving fund is reimbursed.

4. Each custodian of a change fund, cash purchase fund, or cash payment fund.

   These accounts will be charged with the amounts of the revolving fund checks issued and credited with the amounts returned to the revolving fund. In addition, each shortage in a fund will be shown as an accounts receivable until the proceeds from an approved Board of Control Claim for Reimbursement are received or the custodian has personally reimbursed the fund for the shortage.

5. Postage, discount invoices, and miscellaneous transactions.

   This account will be charged with the amounts of revolving fund checks issued and credited as of the dates of the deposit slip and with the amount of the warrant deposited to reimburse the revolving fund.

RECONCILIATIONS **8193**
(Revised 3/1987)

Two monthly reconciliations are required for revolving fund transactions. (See SAM Section 7900.) The Revolving Fund Cash Book balance plus the general ledger balance of Account No. 1110, General Cash, and Account No. 1120, Agency Trust Fund Cash, will be reconciled to the General Checking Account in the centralized State Treasury System. Also, the revolving fund resources will be reconciled with the amount of cash advanced as shown in Account No. 1130 of the funds concerned.