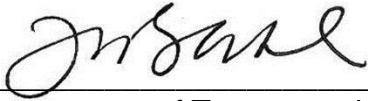


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Department of Transportation

REVOLVING FUNDS

PURPOSE:

To provide direction for requesting, establishing, and maintaining a revolving fund by any operational unit of the Department.

AUTHORITY:

Sections 20.23(3)(a) and 334.048(3), Florida Statutes (F.S.)

SCOPE:

This procedure provides guidance to personnel designated as a custodian of a revolving fund. This procedure outlines the fiduciary and operational responsibilities associated with maintaining funds outside the State Treasury.

REFERENCE:

Receipt Processing, Topic No. 350-080-300
Sections 17.58, 216.271, F.S.
Rule Chapter 69I-23, Florida Administrative Code (F.A.C.)

DEFINITIONS:

Custodian: The person(s) designated by an agency as being responsible for maintaining control over the revolving fund.

Chief Financial Officer: The head of the Department of Financial Services

Department: Department of Transportation

DFS: Department of Financial Services

OOC – DOO: Office of Comptroller, Disbursement Operations Office

OOC – GAO: Office of Comptroller, General Accounting Office

Petty Cash Fund: An imprest fund of fixed amount used for making small expenditures that are

most conveniently paid in cash; also referred to as a Petty Cash Revolving Fund.

Qualified Public Depository: Any bank, savings bank, or savings association that has been designated by the Chief Financial Officer as a qualified public depository in accordance with **Chapter 280, F.S.**

Revenue Management Section: One of three sections within the General Accounting Office (GAO), in the Office of the Comptroller (OOC), MS 42B

Revolving Fund: Includes the following funds maintained outside the State Treasury:

- a) Any fund, except an authorized clearing fund or other fund specifically provided by law, maintained by an agency outside the State Treasury at a financial institution which is used to make disbursements on behalf of that agency or the State
- b) Any imprest fund maintained as cash-on-hand by an agency and used to make disbursements
- c) Any imprest fund maintained as cash-on-hand by an agency for the purpose of making change for cash payments received by the agency for goods or services.

Source Fund: The State fund from which the monies were used or are being proposed to be used to establish the revolving fund.

1. ESTABLISHING A REVOLVING FUND

1.1 Requesting a Fund

When an operational unit of the Department identifies the need for a revolving fund (henceforth, referred to as a "fund"), the operational unit should first obtain approval for the fund from the respective Assistant Secretary or District Secretary (or their designee). This approval along with the name, title, address, and phone number of the proposed custodian should be sent to the Revenue Management Section for processing with DFS. The request must also contain:

- a) The dollar amount being requested and the basis for the amount of the request.
- b) A brief explanation of why the fund is needed.
- c) The proposed types of disbursements to be made from the fund.
- d) The anticipated number and amount of disbursements to be made on a monthly basis.
- e) An indication of whether the fund is intended to meet a temporary need or an ongoing need. If the fund is intended for a temporary need, an anticipated date the fund will no longer be needed should be provided.

- f) An indication of whether the monthly disbursements are expected to be fairly level or whether peak periods are expected. If peak periods are expected, an indication of when such periods are expected should be provided.
- g) Whether the fund will be maintained as cash-on-hand or in a local checking account.
- h) If the fund is maintained as cash, the request must indicate where the cash will be physically located. Funds maintained as cash must be maintained in a secure location, such as a safe, etc.
- i) If the fund is maintained in a financial institution, the name and address of the qualified public depository must be included.

1.2 Approval of a Fund

Upon receipt, the Revenue Management Section will review the request and forward it to DFS for approval in accordance with ***Rule Chapter 69I-23, F.A.C.***

- 1.2.1 If the fund request is not approved or if further information is requested by DFS in order to approve the fund request, the Revenue Management Section will notify the requestor.
- 1.2.2 If DFS approves the fund, DFS will send a signed ***Revolving Fund Authorization*** form indicating the specific uses of the fund to the Revenue Management Section. The Revenue Management Section will request a state warrant made payable to the custodian of the approved fund. Upon receipt, the custodian shall deposit the check into the approved financial institution or convert the check to cash, depending on the type of fund indicated on the request.

2. USE OF THE REVOLVING FUND

- 2.1 The custodian may make expenditures from a fund only for the purposes stated in the authorization letter from DFS.
- 2.2 Funds shall not be used to make disbursements to other state agencies unless specifically authorized by DFS. All requests for exceptions to the authorized uses of the fund must be processed through the Revenue Management Section.
- 2.3 Requests for expenditures from a fund shall contain supervisory approval. The form of that approval is determined by the respective Assistant Secretary or District Secretary (or their designee).
- 2.4 Fund checks must require two (2) authorized signatures. The individual charged with second signature authority will be designated by the respective Assistant Secretary or District Secretary (or their designee). The purposes of the second signatories are to review the use of the fund and to re-verify the accuracy of the disbursement.

- 2.5** The Bureau of Accounting, Division of Accounting and Auditing, DFS, may give written approval for the use of a single signature for fund accounts using an automated check writing system if DFS determines that adequate internal controls are maintained. Adequate internal controls shall include, but not be limited to the following:
- a) Updated written documentation of the system
 - b) Security over check stock
 - c) Accountability over test and voided checks
 - d) Segregation of duties
 - e) Special password security for issuing checks
 - f) Policies for changing passwords
 - g) Controls over input preparation and approval
 - h) Editing and validation of input data
- 2.5** Fund checks must be pre-numbered and imprinted with the statement “Void After 90 Days.”
- 2.7** Unused checks must be kept in a secured location.
- 2.8** All voided checks must be kept and accounted for by maintaining a log. The log shall note the check number and the date the check was voided. The word “VOID” shall be written across the face of the check.
- 2.9** Interest earned on funds maintained in a bank account shall be transferred to the State Transportation Trust Fund within 30 days of receipt. Checks should be made payable to the “Department of Transportation” and transmitted to OOC-GAO, Attention: Cashier’s Office, MS 42B.
- 3. RECONCILIATION OF THE REVOLVING FUND**
- 3.1** Someone other than the fund custodian must complete the monthly reconciliation of the fund.
- 3.2** Monthly reconciliations are prepared on **Form No. 350-080-05, Revolving Fund Reconciliation/Cash Count**, and must be submitted to the OOC – GAO, Financial Reporting Section, no later than the 15th day of the subsequent month.
- 3.2.1** The reconciliation form requires an accounting of cash and outstanding items to ensure proper accounting for the total amount of the fund.

- 3.2.2 Failure to submit fund reconciliations to the OOC – GAO, Financial Reporting Section, may result in the termination of the fund.
- 3.2.3 Reconciliations must be submitted each month whether or not there is activity in the fund for that month.
- 3.2.4 Reconciliation of the Travel Revolving Fund is completed and reviewed by the OOC – DOO, General Payments Section.

4. UNSCHEDULED CASH COUNTS

- 4.1 Unscheduled cash counts of the fund must be conducted by someone who is independent of the custodian and may be conducted by the Revenue Management Section, for cash funds greater than \$200, excluding the toll change funds which are counted daily.
- 4.1.2 Unscheduled cash counts must be conducted at least once during each 90-day period.
- 4.1.3 Results of unscheduled cash counts shall be recorded on **Form 350-080-05, Revolving Fund Reconciliation/Cash Count**, signed by the custodian's supervisor and copies shall be sent to the OOC – GAO, Financial Reporting Section.

5. CHANGE IN REVOLVING FUND CUSTODIANS

Circumstances may require periodic changes in fund custodians.

- 5.1 The respective Assistant Secretary or District Secretary (or their designee) must notify the Revenue Management Section **in writing** whenever a change is made.
- 5.2 The notification must be accompanied by a reconciliation completed at the time of the change.
 - 5.2.1 The reconciliation must be completed by someone who is independent of the outgoing custodian, and signed by the outgoing custodian.
 - 5.2.2 A receipt for the reconciled fund should be signed by the new custodian and must accompany the reconciliation.
- 5.3 If the fund is in a bank account, the names and authorized signatures must be changed.

6. REIMBURSEMENT TO THE REVOLVING FUND

Funds should be fully replenished by June 30th of each year so that the expenses paid from the fund will be recorded in the proper fiscal year.

6.1 To Replenish Cash

- 6.1.1** *Form No. 350-010-13, Revolving Fund Reimbursement Voucher*, is used to request reimbursements to replenish money spent from the fund.
- 6.1.2** Instructions for the completion of the *Reimbursement Voucher* are included on the form.
- 6.1.3** Vouchers requesting reimbursement must include invoices, sales receipts or other supporting documentation and in the case of a payment by check, provide a copy of the checks or a check register including the date, number, amount and payee of each check, or provide the check number, amount and date on the invoice. Reimbursement requests shall be sent to the Bureau of Auditing, Department of Financial Services, 200 E. Gaines St., Tallahassee, FL 32399-0355.
- 6.1.4** Reimbursements for travel funds will only be made if:
- a) The agency has written approval to make travel payments from the fund.
 - b) The travel reimbursement request is audited by the agency's fiscal or accounting office for compliance with **Section 112.061, F.S.**
 - c) The voucher schedule submitted to DFS must be scheduled in the same manner as common carrier payments (pay and charge) with the original documentation. Form DFS-AA-15, Voucher for Reimbursement of Travel Expenses, and unless exempted in writing by DFS, a duplicate or photocopy of the revolving fund check upon which payment was originally made or copy of check register must be attached.
 - d) The travel was by an employee filling an authorized established position, an OPS employee or a member of an advisory council, board, commission or statewide grand jury and the revolving fund approval authorizes payments to such member.
 - e) Each agency shall use Form DFS-AA-25, Application for Advance on Travel Expenses, for authorization and payment of travel advances from a revolving fund. DFS will not process any revolving fund reimbursement for travel advances. If an agency grants a revolving fund travel advance, then the agency must pay the final reimbursement from the revolving fund. Reimbursements to the revolving fund shall be requested after settlement of the actual travel reimbursement. The voucher schedule submitted to DFS for reimbursement to the revolving fund must be scheduled in the same manner as common carrier payments (pay and charge) with the original documentation, Form DFS-AA-15, Voucher for Reimbursement of Travel Expenses, Form DFS-AA-25, Application for Advance of Travel Expenses, duplicate or photocopies of the revolving fund checks for both the travel advance and duplicate or photocopies of the revolving fund checks or photocopies of the check register for final travel payment, and photocopies of deposit forms and personal checks for refunds of overpayments of travel advances, if any.

6.2 Employee Reimbursements

- 6.2.1 Employees who incur business related expenses that are eligible for reimbursement from the fund shall complete **Form No. 350-030-01, Individual Reimbursement Voucher for Expenses Other Than Travel**.
- 6.2.2 Original receipts for the reimbursable items must be attached.
- 6.2.3 The form and receipts will be submitted with the **Form No. 350-010-13, Revolving Fund Reimbursement Voucher**, to document the expenditure. Instructions regarding completion and submission of individual reimbursement vouchers are included on the form.
- 6.2.4 District Offices may establish any additional procedures they feel should be imposed within their District. If so, the additional procedures shall be written, outline the additional controls provided, and contain written approval from a reviewing authority.

7. PERIODIC REVIEW and REPORTING of REVOLVING FUNDS

- 7.1 Periodically, DFS may require the completion of a questionnaire to determine if the fund should be continued. Should a request for continuation of a revolving fund be received from DFS, the Revenue Management Section, will forward the questionnaire to the appropriate custodian. The custodian is responsible for completing the questionnaire and returning it and the requested supporting documentation to the Revenue Management Section. Failure to submit the forms may result in the termination of the fund by DFS.
- 7.2 The Revenue Management Section, maintains a master list of revolving funds, custodians, and associated documentation, and shall provide a **Report of Revolving Funds** quarterly to DFS, in accordance with **Section 17.58(4), F.S.**

8. CLOSING A REVOLVING FUND

- 8.1 When a fund is no longer needed, it must first be restored to the authorized amount by submitting **Form No. 350-010-13, Revolving Fund Reimbursement Voucher** for any outstanding expenditures.
- 8.2 As soon as the fund is restored to the authorized amount, the funds should be returned to the source fund. A check or money order made payable to the "Department of Transportation" must be sent to the OOC - GAO, Attention: Cashier's Office, MS 42B, in accordance with **Topic No. 350-080-300, Receipt Processing**.
- 8.2.1 The check or money order must be accompanied by a memorandum stating the fund is no longer needed, and a copy of the memorandum shall be sent to the Revenue Management Section.

9 REDUCING A REVOLVING FUND

- 9.1** If it is determined that the amount of a fund can be reduced, the reduction would occur in the same manner as closing a fund, except it would not be necessary to restore the fund to its original balance first as stated in **Section 8.1**.
- 9.2** All records pertaining to the use and return of the fund must be retained by the respective operational unit for audit purposes.
- 9.3** The Revenue Management Section will be responsible for informing DFS of the reduction in the fund and in obtaining a new DFS authorization letter reflecting the reduced amount.

10. QUALITY ASSURANCE REVIEW

- 10.1** In accordance with the Department's Quality Assurance Program, revolving funds are subject to an annual Quality Assurance Review to ensure the functions addressed by this procedure are current and properly documented, and to ensure the provisions of this procedure are being followed.
- 10.2** Recommendations and required enhancements identified through the Quality Assurance Review process will be incorporated and issued through the procedure revision process.

11. TRAINING

Training on the proper use of form numbers **Form No. 350-010-13, Revolving Fund Reimbursement Voucher** and **Form No. 350-030-01, Individual Reimbursement Voucher for Expenses Other Than Travel** is provided by the OOC – DOO.

Training on the proper use of **Form No. 350-080-05, Revolving Fund Reconciliation/Cash Count** is provided by the Revenue Management Section.

10. FORMS

The following forms are available in the Department's forms library:

- Form No. 350-080-05, Revolving Fund Reconciliation/Cash Count
- Form No. 350-010-13, Revolving Fund Reimbursement Voucher
- Form No. 350-030-01, Individual Reimbursement Voucher for Expenses Other Than Travel