

Approved:

Effective: March 8, 2019
Review: May 2, 2018
Office: Comptroller,
General Accounting Office
Topic No.: 350-080-303-L



Department of Transportation

REVOLVING FUNDS

AUTHORITY:

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

REFERENCES:

Receipt Processing, Topic No. 350-080-300
Sections 17.58 and 216.271, F.S.
Rule Chapter 69I-23, Florida Administrative Code (F.A.C.)
Disbursement Handbook for Employees and Managers, OOC-DOO

STATEMENT OF POLICY:

It is the policy of the Florida Department of Transportation to document the process for requesting, establishing, maintaining, and closing revolving funds of the Department.

SCOPE:

This procedure applies to Central Office, District and Turnpike staff and outlines the fiduciary and operational responsibilities associated with maintaining funds outside the State Treasury in an authorized revolving fund.

DEFINITIONS:

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

Department: Department of Transportation

DFS: Department of Financial Services, Division of Accounting and Auditing, Bureau of Financial Reporting

OOC – DOO: Office of Comptroller, Disbursement Operations Office

OOC – GAO: Office of Comptroller, General Accounting Office

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

Reconciler: Someone other than the custodian or an employee directly supervised by the custodian that performs the bank reconciliation for the revolving fund held outside the State Treasury in a qualified public depository.

Revenue Management Section: A section within the General Accounting Office (GAO), in the Office of the Comptroller (OOC), MS 42B. This section serves as the point of contact for DFS, and liaison with Turnpike and the Districts.

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 that disbursed monies to a custodian in order to establish a 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 provide the following information to the Revenue Management Section, who will obtain approval from DFS to establish a new fund:

- a) Approval of the fund from the respective Assistant Secretary or District Secretary (or their designee).

- b) Name, title, address, and phone number of the individual who is designated as the fund's custodian.
- c) The dollar amount being requested and the basis for the amount requested.
- d) A brief explanation of why the fund is needed.
- e) The proposed types of disbursements to be made from the fund.
- f) The anticipated number and amount of disbursements to be made on a monthly basis.
- g) 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, provide the anticipated date the fund will no longer be needed.
- h) An indication of whether the monthly disbursements are expected to be fairly level or whether peak periods are expected. If peak periods are expected, provide an indication of when such periods are expected.
- i) Whether the fund will be maintained as cash-on-hand or in a local checking account.
- j) 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.
- k) If the fund is maintained in a financial institution, the name and address of the qualified public depository.

1.2 Approval of a Fund

- 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 and obtain the necessary information.
- 1.2.2** When DFS approves the fund, DFS will send a signed ***Revolving Fund Authorization*** form to the Revenue Management Section indicating the specific uses of the fund. In accordance with the Disbursement Handbook for Employees and Managers, a state warrant will be issued, made payable to the custodian of the 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 requested.

2. USE OF THE REVOLVING FUND

- 2.1** The custodian may use the fund only for the purposes stated in the ***Revolving Fund Authorization*** form from DFS.
- 2.2** Funds shall not be used to make disbursements to other state agencies unless specifically authorized by DFS.

- 2.3** Prior approval for all exceptions to the authorized uses of the fund must be processed through the Revenue Management Section for DFS approval.
- 2.4** Requests for expenditures from a fund shall be made in accordance with the Disbursement Handbook for Employees and Managers.
- 2.5** 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.
- 2.6** DFS, Division of Accounting and Auditing, Bureau of Accounting, 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
- 2.7** All revolving fund checks must be pre-numbered and imprinted with the statement "Void After 90 Days."
- 2.8** Unused checks must be kept in a secured location.
- 2.9** All voided checks shall have "VOID" written across the face of the check, and must be accounted for and maintained for seven fiscal years.
- 2.10** Whenever possible, revolving funds held in qualified public depositories should be established and maintained in interest bearing demand accounts. Interest earned on revolving fund accounts must be deposited into the State Transportation Trust Fund or Turnpike Trust Fund, as applicable, 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, in accordance with ***Topic No. 350-080-300, Receipt Processing***.

3. RECONCILIATION OF REVOLVING FUNDS

3.1 Reconciliation of Funds Held in Financial Institutions

3.1.1 Someone other than the fund's custodian must complete the monthly reconciliation of the fund. The reconciler shall not be the custodian or someone directly supervised by the custodian.

3.1.2 Monthly reconciliations are prepared on **Form No. 350-080-05, Revolving Fund Bank Statement Reconciliation/Cash Count** using the "Bank Statement Reconciliation" page. The fund should reconcile to the authorized amount.

3.2 Reconciliation of Cash Funds

3.2.1 Reconciliation of revolving funds designated as cash or change funds should be reconciled using **Form No. 350-080-05, Revolving Fund Bank Statement Reconciliation/Cash Count** using the "Cash Count" page. The fund should reconcile to the assigned toll change fund amount, and if not, any discrepancies should be noted, such as counterfeit bills, etc.

3.2.2 Unscheduled Cash Counts of Cash Funds

3.2.2.1 Unscheduled cash counts 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/fare change funds which are counted regularly.

3.2.2.2 Unscheduled cash counts must be conducted at least once during each 90-day period.

3.2.2.3 Results of unscheduled cash counts shall be recorded on **Form 350-080-05, Revolving Fund Bank Statement Reconciliation/Cash Count**, signed by the custodian's supervisor.

3.3 Bank reconciliations and cash counts should be submitted to the OOC – GAO, Financial Reporting Section (CO-FinancialReporting@dot.state.fl.us), no later than the 15th day of the subsequent month.

3.4 Failure to submit fund reconciliations to the OOC – GAO, Financial Reporting Section, could result in the termination of the fund.

3.5 Reconciliations must be submitted each month whether or not there is activity in the fund for that month.

3.6 Reconciliation of the Travel Revolving Fund is completed and reviewed by the OOC, Disbursement Operations Office, General Payments Section.

4. REIMBURSEMENT TO THE REVOLVING FUND

4.1 To Replenish Cash

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

4.1.2 *Form No. 350-010-13, Revolving Fund Reimbursement Voucher*, is used to request reimbursements to replenish money spent from the fund. Instructions for the completion of the *Reimbursement Voucher* are included on the form.

4.1.3 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.

4.1.4 Reimbursements for travel funds will only be made if:

- a) The Department has written approval to make travel payments from the fund.
- b) The travel reimbursement request is audited by the Department's fiscal or accounting office for compliance with **Section 112.061, F.S.**, and the Disbursement Handbook for Employees and Managers.
- c) The voucher schedule submitted to DFS is 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 is 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) The Department uses 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.

4.2 Employee Reimbursements

- 4.2.1** 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***.
- 4.2.2** Original receipts for the reimbursable items must be attached.
- 4.2.3** 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.
- 4.2.4** District Offices may establish any additional procedures they feel should be imposed within their District. If so, the additional procedures shall be written and outline the additional controls provided.

5. CHANGE IN REVOLVING 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 to the fund's custodian.
- 5.2** This notification must be accompanied by a reconciliation of the fund that is completed at the time of the change, by someone who is independent of the outgoing custodian, and signed by the outgoing custodian.
- 5.3** If the fund is held in a financial institution, the names and authorized signatures must be changed at the financial institution.

6. REDUCING A REVOLVING FUND

- 6.1 If it is determined that a fund should be reduced either by the Department or at the request of DFS, the funds must be returned to the source fund within 30 days using revenue category code 004700 and object code 047000. Checks should be made payable to the “Department of Transportation” and transmitted to OOC-GAO, Attention: Cashier’s Office, MS 42B.
- 6.2 All records pertaining to the use and return of the fund must be retained by the respective operational unit for audit purposes.
- 6.3 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 fund amount.

7. CLOSING A REVOLVING FUND

- 7.1 If it is determined that 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.
- 7.2 As soon as the fund is restored to the authorized amount, the funds must be returned to the source fund. Checks should be made payable to the “Department of Transportation” and transmitted to OOC-GAO, Attention: Cashier’s Office, MS 42B.

8. PERIODIC REVIEW and REPORTING of REVOLVING FUNDS

- 8.1 Periodically, DFS will require the Department to justify continuation of any revolving funds. Should a request for continuation of a revolving fund be received from DFS, the Revenue Management Section will contact the appropriate custodian and obtain the necessary information to respond to DFS. DFS may, after reviewing the justification and other documentation, approve, reduce, or cancel a revolving fund.
- 8.2 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.**

9. QUALITY ASSURANCE REVIEW

9.1 Revolving fund reimbursements are subject to Quality Assurance Reviews by OOC-DOO's Quality Assurance Section, in accordance with established review procedures. Reviews will ensure reimbursement processes are in compliance with Florida Administrative Code and rules and procedures of the Department.

9.2 Revolving fund bank reconciliations and cash counts are reviewed by OOC-GAO's Reconciliation Section to ensure timely and appropriate accounting of funds held at financial institutions or as cash.

10. 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 Bank Statement Reconciliation/Cash Count*** is provided by the Revenue Management Section or the Financial Reporting Reconciliation Section.

11. FORMS

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

- Form No. 350-080-05, Revolving Fund Bank Statement 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