



Policy

6310 Accounting

The California Community Colleges’ Board of Governors is responsible to define, establish, and maintain the budgeting and accounting structure and procedures for the California Community Colleges. This responsibility is defined in Education Code Section [70901](#). Each community college district is required to follow the California Community Colleges Budget and Accounting Manual (BAM) in accordance with Education Code Section [84030](#).

In addition to the legal requirements of the Education Code, California Code of Regulations (Title 5), BAM, federal guidelines, and other applicable statutes and regulations, California Community Colleges are required to present their financial statements in accordance with generally accepted accounting principles (GAAP) for state and local governments. GAAP provide uniform minimum standards of and guidelines to financial accounting and reporting. They are the framework within which financial transactions are recorded and reported resulting in financial statements that provide comparability between governmental entities, consistency between accounting periods, and reliability for internal and external users of financial statements.

The accounting system, including the uniform fund structure used to record the financial affairs of the District, shall be in accordance with the definitions, instructions, and procedures published in the California Community College Budget and Accounting Manual (BAM).

Revolving Cash Fund

The revolving cash fund shall be in the custody of the Controller.

This fund shall be used for the payments of indebtedness incurred for materials or services rendered, the payment of which cannot wait the normal time for the processing of documents, and for the payment of such goods and services which are of a minor nature and for which the cost of processing in the normal manner is not economically feasible.

It shall be the responsibility of the Controller to establish such sub-funds as may be necessary to carry out the intent of this policy. It is the intent of the Board of Trustees that all purchasing policies shall apply to the utilization of these revolving cash funds.

Safeguarding Cash

The Chancellor shall direct establishment of bank accounts for the deposit of District funds. The Vice Chancellor of Fiscal Services shall be responsible for prescribing procedures safeguarding District funds and funds collected by student body organizations.

1 Depositories

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3 All cash receipts shall be promptly transmitted to the appropriate depository.

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5 Fund Drives or Solicitations

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7 The Board of Trustees authorizes District and College staff and college-related organizations to conduct
8 sales drives or public solicitations.

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10 Before such drives or solicitations are undertaken, approval must be obtained in accordance with
11 applicable administrative procedures.

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13 **References:**

14 [Budget and Accounting Manual, Chapters 3 and 4](#); Education Code Section [84040\(c\)](#); Title 5 Section [58311](#)

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16 **Adopted:** March 11, 2020

17 **Last Reviewed:** March 11, 2020

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Administrative Procedure

6310 Accounting

An accounting system shall be maintained that will provide necessary information for sufficient administration of the District financial-information needs. The system shall be designed to give assurance to members of the Board of Trustees and citizens of the District of proper administration and stewardship of District funds.

Revolving Cash Fund

- A. The Controller's Office maintains a Revolving Cash Fund in the amount of \$75,000.
- B. The District Revolving Cash Fund includes the following subfunds:
 - 1. District Revolving Cash Fund: \$72,050
 - 2. Columbia College Cash Purchase Order Fund: \$2,300
 - 3. Facility Operations Cash Purchase Order Fund: \$300
 - 4. Central Services Cash Purchase Order Fund: \$350
- C. District Revolving Cash Fund
 - 1. Accounts Payable audits transactions; the Controller signs checks; the Senior Accountant reconciles the bank account monthly.
- D. Cash Purchase Order Funds
 - 1. Staff reconciles and replenishes funds at least monthly.

Safeguarding Cash

I. Internal Controls over Cash

A. Cash Handling and Depositing

For purposes of these procedures, these transactions include handling and depositing cash receipts and maintaining custody of cash. These transactions should be performed in a manner that provides assurance that:

- 1. All cash that should have been received was in fact received, recorded accurately, and deposited promptly.
- 2. Cash disbursements have been made only for authorized purposes and have been properly recorded.

3. Cash balances are maintained at adequate, but not excessive, levels by forecasting expected cash receipts and payments related to normal operations.

B. General Guidelines

Each unit must maintain detailed cash handling and depositing procedures necessary to create the most efficient control environment, but the following are some general guidelines to good cash handling practices:

1. Do not permit any one employee to handle a transaction from beginning to end.
2. Separate cash handling from record keeping.
3. Centralize receiving of cash as much as possible.
4. Record cash receipts immediately.
5. Deposit each day's cash receipts intact.
6. Make all disbursements by check, with the exception of small expenditures from petty cash, whenever possible.
7. Have monthly bank reconciliations prepared by employees not responsible for the issuance of checks or custody of cash. The completed reconciliation should be reviewed promptly by the appropriate supervisor.
8. Forecast expected cash receipts and disbursements and investigate variances from forecasted amounts.

Depositories

The purpose of this procedure is to strengthen cash controls by logging daily cash receipts in preparation for deposit. Payment types include cash and checks for accounts receivable, unused portion of cash advances and prepaid expenses, fees collected, donations, bid plan deposits, etc.

- A. Cash collections should be turned in to the Campus Business Office or District Controller's Office as soon as possible but no longer than two (2) business days after receipt.
- B. The Campus Business Offices will make daily deposits and the District Controller's Office will make weekly deposits to the appropriate depository.
- C. Instructors should not collect fees from students. Student fees should be paid over the phone, the web, or directly at the Campus Business Offices.

Fund Drives or Solicitations

- A. Approval is required from the College President prior to beginning fund drives or solicitations for the benefit of college-sponsored events or clubs.

- 1 B. Major public fund drives that will be conducted in the community require approval of the College
2 President and Chancellor. The Chancellor will report these activities to the Board of Trustees.
3 Each fund drive will be evaluated to ensure that no public resources are used for private gain or
4 advantage. Also, no public resources will be used for fund drives or solicitations from private
5 organizations.
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7 **References:**

8 [Budget and Accounting Manual, Chapters 3 and 4](#); Education Code Section [84040\(c\)](#); Title 5 Section [58311](#)
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10 **Procedure Last Revised:** March 11, 2020

11 **Last Reviewed:** March 11, 2020