



Fiscal Systems and Consulting Unit



DEPARTMENT OF FINANCE
STATE OF CALIFORNIA

OFFICE REVOLVING FUND AND BANK RECONCILIATION

Month-End Close Training – February 2024

COURSE OBJECTIVE

To obtain the essential knowledge and skills necessary to perform the office revolving fund (revolving fund) and bank reconciliations.

OFFICE REVOLVING FUND

- ❖ Statewide Policies and Procedures
- ❖ Revolving Fund Accounts
- ❖ Revolving Fund Reimbursement Timeframe
- ❖ Reports and Queries
- ❖ Reconciliation Tips

STATEWIDE POLICIES AND PROCEDURES

- State Administrative Manual (SAM) Section 7901 – Reconciliations will be prepared monthly within 30 days of the preceding month, except for property reconciliations.
- SAM Section 7922 – Departments will reconcile their revolving fund by reviewing the revolving fund book balance and other related accounts. Departments will have documents to support the usage of the revolving fund.

STATEWIDE POLICIES AND PROCEDURES

In accordance with Government Code section 16401, permissible disbursements of revolving fund checks include:

- Advances to employees for travel, salary, or expenses.
- Petty cash fund and change fund disbursements; and
- Payments of discounts or other urgent vendor invoices.

REVOLVING FUND ACCOUNTS

1100000 – Cash on Hand

1101200 – Revolving Fund Cash

1200375 – AR-CalATERS Advance Replenishment in Process

1301100 – Expense Advances

1301200 – Travel Advances

1301300 – Salary Advances

2010000 – Due to Other Funds

REVOLVING FUND REIMBURSEMENT TIMEFRAME

Expense Advances

In accordance with SAM
Section 8422.100

Travel Advances

Travel expense claims
are submitted no later
than ten calendar days
after the trip end date

Salary Advances

Recover within 30
calendar days

REVOLVING FUND REIMBURSEMENT TIMEFRAME

Departments must recover revolving fund advances at regular intervals to ensure:

- Revolving fund does not exceed its limit.
- Timely recognition of appropriation expenditures.
- Accurate 1099 reporting.

REPORTS AND QUERIES

Expense Advance

- DFQ_ORF_03_EXPENSE_ADV_BAL
 - Lists outstanding balances of unreimbursed and unreplenished supplier expense advances.
- DFQ_ORF_04_EXPENSE_ADV_DTL
 - Lists detailed supplier expense advance activities from the AP, AR, and GL
 - Subsidiary query to DFQ_ORF_03_EXPENSE_ADV_BAL

REPORTS AND QUERIES

Travel Advance

- FI\$Cal Unreimbursed ORF Payment Report
 - Lists unreplenished, partially replenished, and fully replenished employee prepaid travel advance.
 - Main Menu > FI\$Cal Processes > FI\$Cal Report > AP Reports > Unreimbursed ORF Payment.

REPORTS AND QUERIES

Salary Advance

- FI\$Cal Open Item Listing Report
 - Main Menu > General Ledger > Open Items > Open Item Listing Report.
 - Provides a listing of employee salary advance open item accounts.
 - The Open Item Key is a required 7-digit number equivalent to the last seven digits of an employee's supplier ID, automatically linking the employee's salary advance created from the AP Module to the deposit of recovery payment in the AR Module.
- DFQ_ORF_01_SALARY_ADV_BAL
 - Lists outstanding balances for employee salary advances.
- DFQ_ORF_02_SALARY_ADV_DTL
 - Lists detailed employee salary advances and recovery activities from the AP and AR.

REVOLVING FUND RECONCILIATION TIPS

- Be able to identify the related accounts for the revolving fund.
- Ensure advances are reimbursed timely.

BANK RECONCILIATION



BANK RECONCILIATION

- ❖ Statewide Policies and Procedures
- ❖ Departmental Records
- ❖ Cash Accounts
- ❖ Cash Accounts Related Activities
- ❖ Reconciliation Tips

STATEWIDE POLICIES AND PROCEDURES

State Administrative Manual (SAM) Section 7901 – Reconciliations will be prepared monthly within 30 days of the preceding month, except for property reconciliations.

STATEWIDE POLICIES AND PROCEDURES

SAM Section 7923 – Departments will reconcile their General Cash, Revolving Fund Cash, and Agency Trust Fund Cash accounts with their Centralized Treasury Trust System Account Statement (CTS statement).

- When departments account for more than one fund in a bank account, departments will identify the fund's share on the bank reconciliation.
- The reconciliation must identify and describe each reconciling item between the bank and the department's records.

DEPARTMENTAL RECORDS

Departments will compare the check listing and deposit listing posted on the CTS statement to the department records:

- Deposit and remittance log
- Check log



CASH ACCOUNTS

1101000 – General Cash

1101200 – Revolving Fund Cash

1101400 – Agency Trust Fund Cash

CASH ACCOUNTS RELATED ACTIVITIES

1101000 – General Cash

- Uncleared Collections
- Refunds Clearing
- NSF Receipts Clearing
- Unapplied Receipts
- SCO Inbound Interface
Dept Expense Advance

1101200 – Revolving Fund Cash

- Revolving Fund
Reimbursements
- Revolving Fund Checks
for Advances

1101400 – Agency Trust Fund Cash

- Agency Trust Deposits
and Checks

RECONCILIATION TIPS

- Ensure reconciliation is performed in accordance with policy.
- Understand cash accounts and the related accounts.
- Understand components of cash transactions and how they affect the bank reconciliation.
- Be familiar with sub-system entries.

QUESTIONS

Contact the FSCU Hotline.

FSCU Hotline Phone: (916) 324-0385

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