



San Francisco Department of Public Health

Dr. Grant Colfax
Director of Health

City and County of San Francisco
London N. Breed
Mayor

San Francisco Department of Public Health Policy and Procedure

Policy and Procedure Title: Client Expenditure Policy for Revolving Funds and Stipends	
Category: Fiscal	
Effective Date: 10/1/19	Last Reissue/Revision Date: N/A
DPH Unit of Origin: Finance	
Policy Contact: Anne Okubo, Deputy Financial Officer	
Phone Number: 554-2825	
Distribution: DPH-wide	If not DPH-wide, other distribution: N/A

The City and County of San Francisco (CCSF) allows minor expenditures and payments of stipends using revolving funds. DPH programs and clinics may use revolving funds and stipends to benefit clients and patients to support therapeutic goals and for immediate client needs. Therapeutic and program goals are those that directly benefits individuals by assessing and addressing their socio-economic status, psychological well-being, emotional state, or mental health issues, through relevant and meaningful interventions and system of care.

DPH programs and clinics must submit a program protocol before a revolving fund account is setup by the fiscal (accounting) unit. DPH programs must adhere to Controller’s Policies and Procedures when using revolving funds, such as minor expenditures or stipends. In general, food for employees, gifts, travel and training expenses, subscriptions, membership fees, conference and registration fees, equipment purchase or rentals, maintenance, and regularly used commodities and services **should not be paid** through a revolving fund. Special circumstances or exceptions require pre-approval of the Deputy Financial Officer and Controller’s Office.

Controller’s Policies and Procedures:

http://famis.sfgov.org/controllerspolicies/CON%20Accounting%20P_P%20-%20August%202019%20-%20Final%20-%20Upload5.pdf

I. Revolving Funds for Minor Expenditures

A. Uses of Revolving Funds

1. Revolving funds are to be used for minor, non-recurring goods and non-professional services to benefit DPH clients, patients or other people that support the client or patient (e.g. family members, etc.). The program protocol must clearly outline who can be supported.
2. Revolving funds used for people that support the client or patient must justify the need for the supported person(s). The number of support people accompanying the client or patient should be limited to those determined to be necessary by the clinician and must be justified.

3. Revolving funds may not be used to benefit employees, contractors or other staff working on behalf of DPH.
4. Expenditures that do not directly benefit the client or patient are not allowed (e.g. supplies for a client run enterprise or program).
5. Food (including grocery items) provided to clients, patients or their caretakers are allowable. It must be clearly specified in the program/unit's protocol.
6. Expenditures related to educational and recreational field trips such as entrance fees or tickets to movie theaters, theatrical plays, concerts, sports/games, museums, amusement parks/attractions, etc. are allowed, provided they are specifically included in the program/unit's protocol.
7. DPH staff member(s) who supervise and accompany clients during educational and/or recreational field trips can also use the revolving fund for entrance fees and tickets. Food items for staff member(s) are not allowed.
8. Purchases that are not allowed are:
 - a) gift cards
 - b) alcoholic and/or sweetened beverages
 - c) Purchases that will result in monthly installment payments.
9. No purchase over \$200 (including taxes and shipping) is allowed without pre-approval from the Deputy Financial Officer and Controller's Office. For example, purchasing entrance tickets for amusement and sports/games.
10. Revolving funds should not be used to pay any services provided by other City offices/department. For example, renting a picnic area from SF Recreation & Parks. This type of transaction should be made through a workorder or inter-department process. DPH staff must make arrangements so that the performing City department will bill DPH.

B. Disbursement Procedures

1. Always make it a priority to purchase from compliant suppliers. Contact fiscal (accounting) unit at 1380howardfiscal@sfdph.org for assistance.
2. Revolving fund purchases must be \$200 or less (including taxes and shipping) from any single supplier.
3. Any plan to purchase over \$200 (including taxes and shipping) requires pre-approval from Deputy Financial Officer and Controller's Office. For example, purchasing entrance tickets for amusement and sports/games.
4. Supporting documentation must be provided, when necessary.
5. Receipts must be original and must clearly state each item purchased and identify the supplier of goods or non-professional services. Programs are discouraged from using suppliers that cannot provide an original receipt.

6. The supplier of goods or non-professional services must be an established supplier that can be publicly verified. Suppliers may not be family members, friends or acquaintances of the client or patient. The uses of “street” vendors and “mom and pop” shops are discouraged.
7. Revolving funds should not be used for the routine/recurring purchase of goods and non-professional services or when compliant suppliers are available. Routine/recurring purchases are defined as those items purchased repeatedly within the same fiscal year. DPH programs will work with Fiscal staff to identify compliant suppliers whenever possible. In lieu of revolving funds, submit a purchase order request before purchasing.
8. DPH programs and clinics must have a written policy that identifies the types of expenditures that are allowable and include other procedures to ensure expenditures are justified, and in line with this DPH policy.
9. DPH program and clinic staff will be personally liable for any unauthorized and not allowed expenses. Please make sure to review all receipts for unauthorized expenses before reimbursing staff for the purchases made. Further, ensure that program/clinic staff using the revolving fund fully understand what is allowed and not allowed when purchasing items using the revolving fund.

C. Replenishment Procedures

1. Fund custodian to store all original receipts, invoices and other relevant forms and records, and keep a duplicate copy on-site.
2. Fund custodian must ensure that money issued to staff and clients are accounted for, and duly acknowledged/signed by the person receiving the fund.
3. Fund custodian must submit a request of replenishment of fund every quarter (July-Sept, Oct-Dec, Jan-Mar, Apr-June) or anytime when the fund is at 50% level or lower. At the minimum, the replenishment request must include the following:
 - a) Completed, signed and approved [Direct Payment Request](#) form (**appendix A**). Fund custodian must indicate the correct chartfield/accounting codes on the lower portion of the form.
 - b) Completed and signed [Petty Cash Reconciliation Report](#) (**appendix B**). Fund shortages are the responsibility of the program staff who is personally liable for all shortages. Should the fund have an overage, the custodian must report it to the fiscal unit. A memo explaining of the shortage/overage should be included and signed by the fund custodian.
 - c) Completed and signed [Revolving Fund Request Summary](#) (**appendix C**). Please complete this form in ticket/receipt sequential order. On the “purpose” column, fund custodian must be specific in explaining the purpose of the purchase on how it benefits the program clients.
 - d) Original copies of logbook receipts/tickets and receipts from suppliers. These must be taped on a piece of paper. Please do not tape over any receipt descriptions and prices because the tape will erase any written information.

D. Separation of Duties and Monitoring

1. DPH programs using a revolving fund must have a different person for the following functions:
 - a) Custodianship function – person in-charged of safeguarding, distributing and monitoring the fund. The functions include; maintaining the receipt logbook, storing the original receipts, reconciling the funds, submitting replenishment request in a timely manner, getting the appropriate approval and signatures, and submitting petty cash reconciliation report every December 31st and June 30th. Programs may elect a primary and secondary

custodian if staffing allows. Fund custodians must be ready when the fund is chosen for an on-site audit.

- b) Disbursement function – person authorizing the disbursement of fund to purchase allowable supplies and non-professional services.
 - c) Replenishment function – person authorizing the replenishment of funds in a timely manner
2. DPH programs with a revolving fund must periodically monitor and reconcile the fund, recipients, and review the policies and procedures for necessary updates and amendments. As programs and clinics continue to use the revolving fund, protocol should be updated to clearly define the usage of funds. A detailed program protocol will allow Fiscal Unit and Controller’s Office a clear understanding of program’s activities that will be helpful during review of submitted replenishment requests. Any updates and amendments on the program protocol must be documented and submitted to fiscal unit.
 3. DPH Fiscal will monitor revolving funds on a periodic basis, including but not limited to on-site reviews and audits.

II. Revolving Funds for Stipend Payment

A. Uses of Stipends

1. Stipends are to be used for clients and patients only.
2. Stipends may not be used for employees, contractors or other staff working on behalf of DPH.
3. Stipends shall not exceed \$600 per client or patient per calendar year, unless the IRS 1099 tax reportable income limit is increased.
4. DPH programs must have a written policy that identifies the purpose of the stipend program, the beneficiaries, and the procedures.

B. Monitoring Procedures

1. DPH programs using stipends will maintain accurate records of stipends paid to clients or patients in compliance with HIPAA regulations.
2. DPH programs must keep a log to track the recipients of stipends, amount of stipend, date stipend was given, and the ticket/receipt number.
3. DPH Fiscal will monitor DPH programs using stipends on a periodic basis, including but not limited to on-site reviews and audits.

III. Audit

The revolving fund, including original disbursement receipts and supporting original documentation, receipt/logbook, cash box, cash count/reconciliation reports , and other pertinent records will be made available, during office hours, to the Controller’s Office, Internal Auditors and DPH Fiscal staff for all audits and/or cash counts.

Any discrepancies will be noted on the audit report and the responsible person must pay for any shortage as restitution or remit the overage to Accounts Payable to be deposited to miscellaneous revenue. Repeated audit findings will result in change of fund custodian or possible withdrawal of fund.

IV. Termination of the Program/Project

Within ten days from the end or termination of the program, the fund custodian will return any unexpended cash, all relevant receipt/logbooks and copies of disbursement receipts, and any other requested/required materials to Fiscal Unit.

V. Records Retention

In order to retain a complete history of all fund activities and transactions, the Custodian must compile and keep up to date the program receipt/logbook. The fund custodian will keep photocopies of all pertinent forms and records indicated on the replenishment procedure.

All related documents/records of the fund will be kept onsite for a period of 5 years from the end of the program or 5 years from the final audit of such records, whichever is later.



**City and County of San Francisco
 Department of Public Health
 1380 Howard Street, #418
 San Francisco, CA 94103**

PETTY CASH RECONCILIATION REPORT

Bills:		Qty	Total
\$100's	x		
\$50's	x		
\$20's	x		
\$10's	x		
\$5's	x		
\$2's	x		
\$1's	x		
Coins:			
1.00	x		
0.50	x		
0.25	x		
0.10	x		
0.05	x		
0.01	x		

Total Cash On Hand	\$
Add: Total Spending (Receipts)	\$
Total Petty Cash	\$
Less: Fund Advance (Issued to Program)	\$
Overage (Shortage) <i>***should always be zero***</i>	\$

Date Prepared: _____

Program: _____

Location: _____

Counted and Certified by:

Fund Custodian: _____ Signature: _____
 Print Name

Supervisor: _____ Signature: _____
 Print Name

