

## Change Fund Guidelines

Change Funds may be established to provide cash in denominations and amounts necessary to permit the making of change for cash collecting operations. The use of Change Funds is exclusively for the making of change for an approved school activity function. Change Funds are *not* to be used for cashing checks, loans, or as a petty cash fund. The fund is *not* to be used for reimbursement of any expense. These funds are established for the sole purpose of facilitating the operation of a school event or activity; therefore, the fund must be closed upon completion of the event or activity.

Schools / departments authorized to have Change Funds must have safes or vaults that are adequate to safeguard cash. When not in use, the fund's currency must be placed in a safe or a locked receptacle, which is kept in a properly secured area. In the event of a theft, the loss must be reported to the Finance Department. Any shortages to Change Fund will be charged to the principal's account or the department's operating budget.

### Designation of Custodian

Change Fund Custodian – is the person responsible for the physical custody of the Change Fund cash.

Change Funds require that at least two individuals be responsible for the cash, the fund custodian and the school principal or department head. Both the fund custodian and the school principal or department head are responsible for the proper use and for safeguarding the funds.

The fund custodian, however, is personally responsible for the cash which was specifically issued to him/her. Therefore, access to the fund must be limited to the authorized fund custodian. The fund custodian is appointed by the school principal or department head. The fund custodian must be an employee of the district.

The school principal or department head is responsible for reporting any changes in the change fund custodian to the Finance Department. These funds are subject to periodic unannounced internal audits. Audit findings may result in the change cash fund being revoked.

The change fund custodian will be designated at the time the Change Fund is established.

### Establishing a Change Fund

To establish a Change Fund the principal or department head must complete and submit a [Change Fund Request Form](#) to the Finance Department for approval.

The form requires the following information:

- Amount requested
- Purpose of the fund (e.g., reason the fund is needed).
- Physical location of the fund
- Plans for safeguarding the fund
- Custodian of the fund: name and e-mail address of the person in whose custody the cash will be kept.
- School principal or department head must approve the form, acknowledging the designated fund custodian.

Once the fund is approved by the Finance Department, the finance office will create a purchase order. The Change Fund is established by issuing a check to the employee of the district responsible for the approved Change Fund amount. The Change Fund cash will be issued to the custodian upon presenting a valid id at the Finance Department.

The Finance Department reserves the right to deny requests based on the purpose/justification for the request, unauthorized department approval, the amount of the fund, or any outstanding cash balances remaining in either the department or fund custodians name.

The [Change Fund Request Form](#) is available on the Finance Department web site. Departments should plan ahead and allow two weeks for processing time

### Change in Custody of Change Fund

When a new fund custodian is to take charge of the Change Fund, the former custodian replenishes the fund so that the fund has the established amount of cash on hand. The fund must be reimbursed to its original amount and any overages or shortages must be investigated and resolved. The outgoing fund custodian must close the fund and return the fund's cash. A new check will be issued to the incoming fund custodian. Departments should plan ahead and allow two weeks to obtain the Change Fund cash to ensure that they will not be left without change when the current Change Fund is closed.

To change the fund custodian the school principal or department must complete a new [Change Fund Request Form](#).

## Changes to the Change Fund

### Increase

To increase the cash amount on the Change Fund a [Change Fund Request Form](#) must be completed and submitted to the Finance Department along with a letter of explanation addressing the need for the increase in the fund.

### Decrease

To decrease the Change Fund, the fund custodian must return the amount of the decrease to the Finance Department along with a memo from the principal or department head requesting to decrease the Change Fund balance. The memo should include the following information:

- Custodian Name
- Name of School Principal or Department Head
- Fund Location
- Purpose of Change Fund
- Reason for Decrease
- Original Change Fund Balance
- New Change Fund Balance

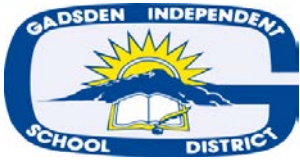
*A receipt will be issued to the fund custodian at the Finance Department upon return of the Change Fund cash.*

### Close

When the Change Fund is no longer needed, the fund custodian should return the authorized amount to the Finance Department along with a memo from the principal or department head requesting to close the Change Fund. The memo should include the following information:

- Custodian Name
- Name of School Principal or Department Head
- Fund Location
- Purpose of Change Fund

*A receipt will be issued to the fund custodian at the Finance Department upon return of the Change Fund cash.*



Date: \_\_\_\_\_

### Change Fund Request Form

Submit To: GISD Finance Department  
P.O Drawer 70  
Anthony, NM 88021

Submitted By: \_\_\_\_\_  
(School /Department)

Check One:  New Change Fund  Increase Fund

The custodian must be an employee of the Gadsden Independent School District. The custodian must accept personal responsibility for the safety, proper usage and return of the funds entrusted. In circumstances the actual handling of the funds may be delegated but the responsibility of the funds remains with the custodian. If for any reason the Change Fund is no longer needed or there is a change in the custodian, this fund must be turned to the Finance Department, thereby terminating the responsibility of the custodian. If the need continues for the Change Fund, a new fund will be issued upon application.

**Fund Information:** Purpose of Fund

Amount Requested \$ \_\_\_\_\_ .00. Plan to safeguard the funds: \_\_\_\_\_ Physical Location: \_\_\_\_\_  
or amount of increase request (e.g., safe, vault)

Time period the funds will be used: Beginning Date: \_\_\_\_\_ Ending Date: \_\_\_\_\_

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**Custodian Certification:**

I accept the above stated Change Fund with the understanding that I am personally responsible for the proper safekeeping and use of said funds. It is further understood that I will be personally liable for all shortages.

Change Fund Custodian's Name: \_\_\_\_\_ Work Location: \_\_\_\_\_  
(Print Full Name) (School/Department)

Phone: \_\_\_\_\_ Email Address: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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**School Principal/ Department Head Authorization:**

I approve the designation of the cash fund custodian as stated above. It is further understood that I will be jointly liable for all shortages. I also understand that any shortages to Change Fund will be charged to the principal's account or the department's operating budget.

Principal/Department Head Name: \_\_\_\_\_ Work Location: \_\_\_\_\_  
(Print Full Name) (School/Department)

Phone: \_\_\_\_\_ Email Address: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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**Director / CFO of Finance Department Approval:**

By approving this form I consent an override to create the Change Fund.

Account Code: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Return completed form to address above. Please allow 2 weeks for your request to be processed**