



ADMINISTRATIVE PROCEDURE

SAN DIEGO UNIFIED SCHOOL DISTRICT

NO: 2315

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CATEGORY: **Fiscal Management, Budget**

EFFECTIVE: **9-3-74**

SUBJECT: **School Discretionary Funds**

REVISED: **10-04-2002**

A. PURPOSE AND SCOPE

1. To outline administrative procedures for management of school discretionary funds.
2. **Related Procedures:**

Lease purchase of equipment/lease with option to purchase	2425
Revolving cash fund purchases and limitations	2310

B. LEGAL AND POLICY BASIS

1. **Reference:** Board policy: D-2000, D-5000.

C. GENERAL

1. **Originating Office.** Suggestions or questions concerning this procedure should be directed to the Budget Department, Finance Division, Business Operations Branch.
2. **Definition**
 - a. **School discretionary fund:** A source of funds, *not* a method of purchasing. Discretionary fund purchases may be paid for through use of a method of purchasing called a revolving cash fund (Procedure 2310).
 - b. **Nonstandard**
 - (1) An item not in the “Standard Equipment Catalog.”
 - (2) A quantity of standard items greater than the quantity established by the district.
3. **A discretionary fund** may be used for direct support of school instructional programs, such as capital outlay equipment, field trips, instructional supplies, minor remodeling, substitutes or temporary hourly help for special services (coordinate with the Human Resource Services Division, Office of the Superintendent), inservice programs, and other *one-time* expenditures. Commitment to continuing expenditures (i.e., more than one year) shall be limited to lease-purchase of equipment and must comply with Procedure 2425.

4. **Compliance with Purchasing Procedures and Standards.** When discretionary funds are used to acquire equipment, supplies, materials, and services, district standards and purchasing procedures shall be complied with to assure that quality, safety, and maintenance requirements are met.

Note: District maintenance funds will not be used to maintain nonstandard equipment leased and/or purchased by schools and/or departments. (C.2.b.) Maintenance of such equipment may be paid for through use of the revolving cash fund and may be charged to the discretionary fund account.

5. **Allocation of Funds.** Budget Department shall determine final allocation based on the actual enrollment at the end of fourth week of the first semester.

D. IMPLEMENTATION

1. **Budget Department** notifies each school of its final allocation as soon as possible following the end of fourth week of the first semester of school.
2. **Principal**, in cooperation with school staff, determines account(s) in which an allocation should be budgeted; enters account number and amount for each account on the site electronic allocation grid received from the Budget Department. Forwards completed electronic grid to the Budget Department by date indicated on form. (Any funds expended prior to development of the final allocation must be included in principal's budget.)
3. **Budget Department** arranges for transfer of funds from the district's unallocated account to designated accounts. Transfers *within* the school's discretionary fund are handled directly between the school involved and the Budget Department.
4. **Principal or Designee**
 - a. **Prepares electronic time card, hard copy time card**, or time sheet entries to authorize payment to substitutes or temporary hourly employees.
 - b. **When charging any costs** to the school discretionary fund, verifies appropriateness of the account to be charged.
 - c. **Instructs school** personnel to comply with established district policies, procedures, and standards when acquiring equipment, supplies, materials, and services through use of discretionary fund.

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E. FORMS AND AUXILIARY REFERENCES

1. Final Allocation grid issued by the Budget Department to indicate amount of each school's discretionary fund.

F. REPORTS AND RECORDS

G. APPROVED BY



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For the Superintendent of Public Education