

Revised Petty Cash Policy 8-27-12

Summary of Changes

CHANGE LOG			
#	Section		Change Description
	<i>New / Existing / Removed</i>		
1	Purpose	<i>New</i>	<ul style="list-style-type: none"> • Updated old policy statement and condensed it into the Purpose Section. <ul style="list-style-type: none"> ○ Changed the term imprest fund to petty cash fund throughout the policy. ○ The purpose of this policy is to provide guidance on proper management of petty cash and change funds.
2	Policy	<i>New</i>	<ul style="list-style-type: none"> • Describes Petty Cash Fund, what is allowed and what is not allowed. <ul style="list-style-type: none"> ○ Allowed Expenses are small, unanticipated purchase from vendors when immediate payment is required and purchase cards are not accepted. ○ Petty Cash Funds may not be used for the following purposes: <ul style="list-style-type: none"> ▪ Cashing checks ▪ Making loans ▪ Making advance ▪ Reimburse travel-related expenditures or to make travel advances ▪ Pay wages for employees, temporary employees, or pay overtime for any employee. ▪ Pay expenses relating to use of private motor vehicles, including mileage and fuel ▪ Provide floral tributes, small gifts or other tokens of appreciation, or prizes and awards ▪ Make purchases that would not be approved under normal policies and procedures • Describes Change Funds, what is allowed and what is not allowed. <ul style="list-style-type: none"> ○ To provide customers with change following over the counter transactions. The change fund must be kept separate from other funds. ○ Change fund may not be used for: <ul style="list-style-type: none"> ▪ Expenditures ▪ To clear overages and shortages in transactions ▪ To cash checks • Responsibility and Authority is given to the Accounting Department to : <ul style="list-style-type: none"> ○ Establish and enforce policies and procedures for all petty cash and change funds ○ Require the establishment and maintenance of records for accounting for fund received and paid by the County ○ Perform periodic unannounced audits, at a minimum annually ○ Establish and authorize procedures granting, maintain and terminating departmental petty cash and change funds
4	Policy	<i>New</i>	<ul style="list-style-type: none"> • Describes Duties of Petty Cash Fund Custodian: <ul style="list-style-type: none"> ○ Safeguarding - The custodian is personally responsible at all times for the appropriate and adequate safekeeping of these funds. The money should be kept in a secured, locked location and must never be commingled with an individual's personal funds or any other County funds. Only the custodian and department heads should have access to the keys or safe combination. ○ Transaction Records –The custodian is responsible for keeping accurate records of the fund. The custodian must maintain appropriate records on a daily basis, as this petty cash fund is subject to audits at any time. ○ Reconciliation – Custodians are required to reconcile daily, weekly, or monthly, depending upon the amount of activity involved and the dollar amount of the fund.
5	Procedures	<i>Removed</i>	<ul style="list-style-type: none"> • Procedures have been established and are now included in a separate document from the policy. <ul style="list-style-type: none"> ○ This policy refers by name to the new documents and forms.
6	Definitions	<i>Existing</i>	<ul style="list-style-type: none"> • Definitions have been moved to the last section of the policy. • Updated the following definitions: <ul style="list-style-type: none"> ○ Petty Cash Fund – Cash advance for certain occasions when employees, duly acting on official County business, need an advancement of funds and/or reimbursement for out of pocket expenses. Petty cash funds can be in the form of cash or checking account. ○ Checking Accounts – Can be used by departments to be able to access funds for immediate needs. Some departments have vendors that do not take credit cards and demand payment at the time of services; the transaction dollar amount can be high at times so using a check is the preferred use vs. cash ○ Fund Custodian – The individual appointed to manage the petty cash or change fund. Fund custodians are identified on the Change and Petty Cash Establish/Change form. Responsible for the safekeeping, appropriate and ethical use, and efficient maintenance of the fund.