


ATTACHMENT A

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|                      | <b>CHAPTER:</b><br>Fiscal<br>Management                        | <b>POLICY:</b> <i>Petty Cash Fund</i>    |
|   | <b>SUBJECT:</b> <i>Change and Petty Cash Funds Policy</i>      | <b>PAGES:</b> 3                          |
| <b>RELATED POLICIES:</b> Other related resolutions:<br>Department of Purchasing Charter Resolution 65 | <b>ENABLING RESOLUTION:</b> Charter #35<br>(Res. 243-1986)     | <b>RESOLUTION DATE:</b> October 15, 1986 |
|   | <b>REVISED RESOLUTION &amp; DATE:</b> 112-1990<br>May 23, 1990 |  |
| <b>OFFICE WITH PRIMARY RESPONSIBILITY:</b> Finance  |  |  |

**I. Statement of Purpose**

The Board of Sedgwick County Commissioners (“the Board”) recognizes that the use of change and petty cash funds by certain County departments is necessary for effective and efficient public service and County operations. The purpose of this policy is to provide guidance on proper management of those funds.

**II. Policy**

**A. Authority and Responsibility**

The Board delegates the authority and responsibility for establishing policies and procedures for all petty cash and change funds to the Accounting Director. In carrying out this duty, the Accounting Director is responsible for:

1. Establishing and enforcing policies and procedures governing the receipt, handling, custody and disbursement of funds.
2. Requiring the establishment and maintenance of records accounting for funds received and paid by the County.
3. Performing periodic unannounced audits, at a minimum annually, of departments with petty cash and change funds.
4. Establishing and authorizing procedures granting, maintaining and terminating departmental petty cash and change funds.

**B. Establishing a Petty Cash Fund or Change Fund**

A petty cash or change fund may be authorized only by making a request to, and receiving approval from the Accounting Director. Departments may not establish a petty cash or change fund with their own departmental cash.

### **C. Petty Cash Funds**

The Accounting Director may establish petty cash funds to handle small, unanticipated purchases from vendors when immediate payment is required and purchase cards are not accepted. Petty cash funds must not be used to pay vendors when a purchasing card, purchase order, or direct payment can be used. The department using the petty cash fund must ensure that all petty cash fund purchases and reimbursements adhere to County purchasing policies and procedures.

The following expenditures are prohibited:

- Cashing checks
- Make loans
- Make advances
- 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 the use of private motor vehicles, including mileage and fuel
- Provide floral tributes, small gifts and other tokens of appreciation, or prizes and awards
- Make purchases that would not be approved under normal policies and procedures

### **D. Change Fund**

The Accounting Director may establish change funds to provide customers with change following over the counter transactions. Change may be in currency and coin. The change fund must be kept separate from other funds.

The change fund may not be used:

- For expenditures
- To clear overages and shortages in transactions
- To cash checks

### **E. Duties of a Petty Cash Fund Custodian**

Each petty cash fund or change fund established is specifically assigned to one individual who is designated as the fund custodian. This individual should have exclusive access to and control of the fund. In carrying out the duties assigned, it is the custodian's responsibility to understand and follow the procedures below:

1. Safeguarding – Petty cash or change funds must be properly safeguarded. 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 the department head should have access to the keys or safe combination.
2. Transaction Records - The custodian is responsible for keeping accurate records of the fund. The custodian must maintain appropriate records on a daily basis, as funds are subject to audits at any time by the Accounting Department.

3. Reconciliation - Custodians are required to reconcile daily, weekly, or monthly, depending upon the amount of activity involved and the dollar amount of the fund.

The custodian will be personally accountable for the petty cash fund or change fund until all of the funds and/or receipts have been submitted to the Accounting Department and the account closed.

### **III. Procedures/Forms**

The Accounting Director maintains related but separate procedures established by the Division of Finance. Please refer to Accounting Department for the most current procedures related to the Change and Petty Cash Funds Policy:

- Establishing a new fund
- Replenishing a petty cash fund and checking account
- Changing a fund custodian
- Safeguarding the funds
- Reconciling a fund and handling a loss

The following forms are also available:

- Petty Cash Receipt Log
- Missing/Lost Receipt Summary form
- Change and Petty Cash Establish/Change form
- Petty Cash Fund Reconciliation form

### **IV. DEFINITIONS**

**CHANGE FUND** – Cash advanced for the sole purpose of making change by a function receiving cash payments.

**PETTY CASH FUND** – Cash advanced 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 time of service; 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 safe keeping, appropriate and ethical use, and efficient maintenance of the fund.