

**City of Kirkland**  
**Reimbursable Petty Cash**  
**Policies and Procedures**  
**Chapter 3**  
**Policy 3-3**  
**Effective Date: October 2000**

**A. PURPOSE**

Petty cash is a sum of money set aside for minor disbursements for which the issuance of formal voucher and check would be impractical. The City has established credit accounts with a number and variety of local vendors who accept purchase orders. As a result, situations requiring the use of petty cash for purchases should be limited to the items listed in the following paragraphs.

Incidental expenses allowed through petty cash are: registered mail, postage due on mail received, emergency supplies, parking, film development, and any one-time purchase that has to be handled on a cash basis. Petty cash cannot be used for reimbursable business expenses such as meals or travel expenses.

Only petty cash funds authorized in writing by the Director of Finance and Administration are to be maintained. The following are authorized Petty Cash funds: Central Cashier, Police Department, Senior Center. The maximum dollar amount for a single petty cash request that may be issued without prior authorization is \$50.00. Authorization for an amount in excess of \$50.00 must be obtained from the Finance Manager, Accounting Manager, or Finance Director. Normally, expenditures in excess of \$50.00 require the issuance of a formal voucher and check. Use of multiple petty cash slips for purchases over \$50.00 cannot be accepted. Breaking larger purchases into smaller incremental purchases is also unacceptable.

**B. procedures / controls for requesting and receiving petty cash for purchases**

- Employee makes approved purchase and obtains a receipt from vendor. Employees should be aware that they will be held responsible for unallowable expenditures.
- Employee obtains a pre-numbered petty cash slip from the petty cash custodian.
- Employee fills out petty cash slip. Slip must show date, recipient, item purchased, public purpose, amount, account number (including job ledger, if applicable) to be charged.
- Employee has slip signed by an authorized person from the department being charged. Staff authorized to approve petty cash slips are consistent with those authorized to approve purchase requisitions unless departments wish to further restrict this capacity. Two signatures are required on a petty cash slip: the recipient and an authorized approval signature. A person may not approve their own reimbursement from Petty Cash.

- Employee will be reimbursed for cash purchases by the petty cash custodian upon receipt of the completed, pre-numbered slip (as described in the preceding steps). The original sales invoice or receipt must accompany the slip. Use of a photocopy receipt may be authorized on an exception basis by the Finance Manager, Accounting Manager, or Director of Finance and Administration.

### **C. PROCEDURES/CONTROLS FOR PETTY CASH ACCOUNTING**

- The petty cash custodian will log in the petty cash fund journal each petty cash slip issued, reflecting the slip number, individual's name, and department.
- Upon receiving a completed petty cash slip, the custodian will verify the dollar amount of the receipt against the requested amount of cash and record the amount in the journal. The receipt should be attached to the completed petty cash slip and kept in the petty cash fund box until time of reimbursement.
- The petty cash fund will be replenished on a schedule to ensure continued operation with adequate cash on hand through Accounts Payables. At a minimum this schedule should be done on a monthly basis. The replacement process is subject to the same review and approval as other payment requests.
- The petty cash fund box will be kept locked and in a secure place.
- The petty cash fund may be audited at any time by the state auditor's staff or other Department of Finance and Administration staff.
- At any point in time the total of outstanding slips and cash in the fund box should always equal the authorized amount.

### **D. THE FOLLOWING PROCEDURES APPLY TO ALL PETTY CASH CUSTODIANS**

#### **To Request Reimbursement to Petty Cash Fund**

- Add cash, petty cash slips, and any outstanding requisition amount (as shown in petty cash ledger). These totals should equal the total petty cash fund amount. These totals should then be posted in the petty cash ledger.
- Separate completed petty cash slips based on fund numbers.
- List completed petty cash slips on requisition worksheet with corresponding General Ledger (GL) account number and Job Ledger (JL) project number, if applicable. When listing, reflect petty cash slip number and dollar amount of each slip. If there is more than one petty cash slip for an account number, they may be combined for one entry on the requisition sheet. The petty cash custodian should then securely attach the petty cash slips to the requisition worksheet, sign it, and forward it on to the Department of Finance and Administration for approval.
- A claims check to the petty cash fund will be issued to the custodian as part of the next claim check run.

- The claims check should be the total of all requisitions submitted for reimbursement during the last reimbursement period.
- Verify the dollar amount of the claims check against the total of the requisition sheet. File the stub from the claims check.
- Record dollar amount of reimbursement, claim check number, and date received in the Petty Cash Journal.
- Have claims check endorsed by either the Department Director, the Director of Finance and Administration, or the Finance Manager.
- Have claims check cashed by the Central Cashier. Count cash returned prior to placement in petty cash fund box. Confirm amount with claims check stub.
- Any discrepancies (overage or shortage) with the petty cash fund are to be reported immediately to the Department Director and the Director of Finance and Administration.
- The petty cash box will be kept locked and in a secure location. Only authorized personnel will have access to petty cash funds.
- The petty cash fund is at the amount approved by the Director of Finance and Administration. Any request to change this amount must be submitted and approved by the Director of Finance and Administration.
- The petty cash custodian will provide the list of individuals authorized to approve petty cash slips to each Department Director to review on an annual basis. This list will be consistent with staff authorized to approve purchase requisitions. The Department Director may further restrict this authority. The Central Cashier will maintain the original and provide a copy to be maintained by each of the petty cash custodians.