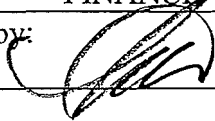




Policy & Procedure

Subject: PETTY CASH FUNDS		
Index: FINANCE	Number: 4.3.6	Page 1 of 3 pages
Approved by: 	Effective Date: 10/01/01	Supersedes: 4.3.6 03/16/01

1.0 PURPOSE

To establish a policy and procedure on the use of Petty Cash Funds.

2.0 ORGANIZATIONS AFFECTED

All departments.

3.0 REFERENCES

City Council Resolution Number 1696
Policy 4.3.3 Travel Expenses

4.0 POLICY:

4.1 The City maintains various Petty Cash Funds set aside for two purposes: minor disbursements and making change.

4.2 The Petty Cash Funds established for the purpose of minor disbursements are as follows:

Fire	\$150.00
Police	200.00
Library	100.00
Senior Center	150.00
Recreation Center	100.00
City Hall	300.00
D.A.R.E.	100.00
Public Works	250.00
Annex	<u>200.00</u>
Total:	\$1,550.00

4.3 The Petty Cash Funds established for the purpose of making change are as follows:

Municipal Court	\$100.00
Police	50.00
Library	100.00
Jail	200.00
Senior Center	50.00
Recreation Center	100.00
Finance - Treasurer	300.00
Finance - Utilities	150.00
Development Services	100.00
D.A.R.E.	<u>25.00</u>
Total:	\$1,175.00

- 4.4 Employees may be reimbursed for minor City-related expenses from a Petty Cash Fund which is designated for disbursements.
- 4.5 The maximum reimbursement amount from a Petty Cash Fund is \$50.00, unless a department director/manager designates a lesser amount.
- 4.6 The Petty Cash Funds may not be used for personal cash advances even if secured by a check or other I.O.U.
- 4.7 Personal checks may not be cashed through a Petty Cash Fund.
- 4.8 Receipts for purchases must be exchanged for cash from a Petty Cash Fund. Cash cannot be advanced for a purchase.
- 4.9 All reimbursements for meal, mileage or parking expenses must be made in accordance with the Travel Policy 4.3.3.

5.0 DEFINITIONS:

Not applicable.

6.0 PROCEDURE:

6.1 In order to be reimbursed through a Petty Cash Fund, an employee must furnish an original receipt which shows the vendor's name, the items purchased and the amount of the purchase. The employee shall complete a form or attach documentation which describes the purpose of the purchase and the expense account to be charged. The documentation shall include the signature of the employee who incurred the expense and the signature of their supervisor.

6.2 Responsibilities of Petty Cash Custodians:

6.2.1 At least once a month, each custodian should request reimbursement from Accounts Payable to bring the Petty Cash Fund back to the authorized

amount. The balance in the Petty Cash Fund plus the amount to be replenished must equal the amount authorized for the Fund.

- 6.2.2 The request for reimbursement shall list the accounts and amounts to be charged. The request shall also include the receipts and documentation as described in 6.1.
- 6.2.3 The receipts shall be initialed by the custodian or canceled by some other appropriate means to prevent reuse.
- 6.2.4 Petty Cash Funds shall be replenished at the end of each fiscal year so that all expenses will be reflected in the proper accounting period.
- 6.2.5 Whenever the appointment of a custodian is discontinued, the Fund must be replenished and the full amount returned to the City Treasurer. The City Treasurer is responsible for issuing the Petty Cash Fund and training the new custodian on proper cash management procedures.
- 6.2.6 The City Treasurer will conduct unscheduled, periodic reviews of the various Petty Cash Funds to ensure proper cash management procedures are being followed.