

CITY OF SULTAN

Petty Cash Policies and Procedures

Effective Date:

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Section 1. Purpose:

The Petty Cash Account is a sum of money set-aside for minor cash disbursements for which the issuance of a formal voucher would be impractical.

Incidental expenses allowed through petty cash include but are not limited to: registered mail, postage, emergency supplies, supplies not available through a vendor, parking expenses, film development, vehicle licensing, and any one-time purchases that have to be handled on a cash basis.

Requests for meals, travel, and mileage related to travel should be done on an employee expense reimbursement form. All cash reimbursements for business expenses must meet the requirements of the City's Travel Allowance Policies.

Section 2. Policy:

1. There is one petty cash accounts authorized for the City of Sultan. The amount to be included in the City's petty cash accounts shall be \$200.
2. The amount to be disbursed from the petty cash accounts for any purpose shall not exceed \$50 without the prior approval of the City Administrator or Finance Director.
3. All subsequent increases or decreases in the City's established dollar amount for the petty cash account shall be authorized by the City Council through resolution.
4. A custodian shall be appointed for the petty cash account by the Finance Director.
5. The Finance Director or their designee shall assure that the amount in the petty cash account is counted and reconciled at least quarterly by someone other than the custodian.
6. The petty cash will be kept in a locked safe place.
7. When petty cash is disbursed, it must be replenished by warrant payable to the Municipal Petty Cash. The replenishment should be subject to the same review and approval as invoices.

8. The petty cash account shall always be replenished at the end of the fiscal year (December 31st) so that expenditures will be reflected in the proper accounting period.
9. The replenishment must be by voucher with the appropriate receipts attached. The receipts should show the date, recipient, the purpose, and amount of each cash disbursement. These receipts must be signed by the person receiving the cash and their department head or designated supervisor.
10. At the time of replenishment, the custodian should ensure that the balance remaining in petty cash, together with the amount of the replenishment voucher, equals the total authorized for the petty cash account.
11. The petty cash accounts may not be used for personal cash advances.
12. The petty cash accounts may not be used to cash checks or City warrants.

Section 3. Procedures for Receiving Petty Cash:

1. The employee makes an approved purchase and obtains a receipt from the vendor.
2. The custodian assigns a petty cash slip to the employee. The slip must show date, recipient, item purchased, the purpose, the amount, and the account to be charged.
3. The employee will be reimbursed with cash upon receipt of the completed slip. The original, legible, sales invoice or receipt must accompany the slip.

Section 4. Procedures for Processing Petty Cash:

1. 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.
2. 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 until time of reimbursement.
3. The petty cash account will be balanced at the end of each day that there is activity. The custodian will sign and date the tape detailing the petty cash slips, cash and outstanding petty cash slips, and place in the petty cash box.
4. The petty cash accounts will be replenished quarterly using the claims process. The replacement process is subject to the same review and approval as other claims.
5. The petty cash accounts will be kept locked and in a secured place.