

## CITY OF EDGEWOOD

### Petty Cash Policy

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The Petty Cash Fund is established to reimburse employees for minor expenses (\$50 or less) that are either incurred or purchased for official City business. Petty cash is a sum of money set aside for minor disbursements for which the issuance of a formal voucher would be impractical.

Employees may request reimbursement for items up to \$50.00 (including sales tax) from the Petty Cash Fund for items purchased or expenses incurred for official business of the City of Edgewood. Incidental expenses allowed through petty cash are: Registered mail, postage, emergency supplies, film development, and certain minor, one time-purchases to be handled on a cash basis.

The Petty Cash Fund may not be used for personal cash advances even if secured by check or other I.O.U. Likewise, petty cash cannot be used for reimbursable business expenses such as meals or travel arrangements.

#### Procedures:

- A. An employee is eligible to receive reimbursement for an official City purchase or expense (\$50.00 or less) after furnishing an original, itemized, dated receipt to the petty cash custodian, who will fill out and sign a petty cash slip, including the employee's name, purchase item and purchase amount.
- B. In special circumstances when a receipt is not available, reimbursement from the petty cash funds for expenses incurred may be approved by the Finance Director.
- C. Cash advances are not allowed. However, mitigating circumstances may arise when the City Manager may choose to approve the release of petty cash for official City business before the expense has been incurred (e.g., coin-operated car wash, registration cost for local one-day business meeting).
- D. The petty cash custodian will verify the information on the receipt against the requested amount of cash before fulfilling the reimbursement request. The recipient will sign the petty cash slip to confirm receipt. After releasing the cash, the custodian will sign the petty cash slip and attach the receipt to the back of the slip.
- E. On at least a monthly basis, the custodian will reconcile the account to verify that remaining cash plus attached receipts equal the authorized petty cash amount. Another employee will confirm the reconciliation.
- F. After the reconciliation, the custodian will submit the receipts to the Accounting Tech. A check will be issued for the amount of cash needed to replenish the fund to its authorized amount. The check will be made payable to "Petty Cash Custodian" and be cashed by the Finance Director. Immediately after cashing the check, the custodian will replenish the petty cash fund, verify that cash equals the authorized amount, and receive secondary verification by the Accounting Tech.
- G. The Finance Director or designee will conduct periodic petty cash audits to ensure proper management of the fund.

The petty cash custodian shall ensure the petty cash is kept in a safe place (i.e., lockable box in secure area with limited employee access).