



BALDWIN COUNTY COMMISSION

POLICY # 8.15	
Subject	Petty Cash Policy
Date Adopted	December 16, 2025
Agenda Item	TBD
Obsolete Versions	Adopted March 17, 2009 / BCC Minutes, Page 11

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1. POLICY STATEMENT

The Baldwin County Commission recognizes the need for limited petty cash funds to support small, incidental purchases that cannot be reasonably accommodated through standard procurement or reimbursement processes. This policy establishes guiding principles for the authorization, custody, use, and reconciliation of petty cash funds across County departments.

All County employees entrusted with petty cash responsibilities are expected to uphold these principles and maintain transparency, accountability, and compliance with County financial standards.

2. GUIDING PRINCIPLES

- a) **Authorization and Limits** Petty cash funds must be formally approved by the Commission and established through documented agenda action. Each fund must have a designated custodian and may not exceed the approved dollar limit.
- b) **Custody and Security** Petty cash funds must be stored in a locked cabinet or drawer with access limited to the designated custodian or approved temporary custodian. Departments are responsible for always maintaining secure custody.
- c) **Eligible Use** Petty cash may only be used for County-approved expenses that are incidental and time-sensitive. Personal purchases, check cashing, or non-County expenditures are strictly prohibited.
- d) **Documentation and Receipts** All disbursements must be supported by itemized receipts and recorded in a petty cash log. Receipts must include date, vendor, amount, purpose, and acknowledgment of goods or services received.
- e) **Reconciliation and Reimbursement** Custodians must reconcile petty cash funds regularly and submit reimbursement requests with complete documentation. Cash on hand plus receipts must equal the approved fund amount.
- f) **Oversight and Verification** Finance/Accounting may conduct unannounced reviews or cash counts to verify fund integrity. Departments must cooperate fully and retain reconciliation records in accordance with the County's Records Retention Policy.

3. POLICY ADMINISTRATION AND REVIEW

This policy shall be maintained by the Clerk/Treasurer or designee, who shall conduct an annual review to ensure continued alignment with statutory requirements, professional standards, and County financial practices. Recommended updates shall be submitted to the County Administrator and Commission as necessary to reflect changes in law, operational needs, or audit guidance.

4. SOURCES OF LAW AND REGULATORY REFERENCES

This policy is grounded in the following legal, professional, and operational frameworks that govern financial management practices within Baldwin County:

- **Code of Alabama 1975, Title 11 – County and Municipal Government**
 - Establishes statutory authority for county financial operations, including petty cash authorization and oversight.
- **Government Finance Officers Association (GFOA) Best Practices**
 - Provides standards for internal controls, petty cash management, and financial transparency.
- **Alabama Department of Examiners of Public Accounts – Audit Guidelines**
 - Defines expectations for petty cash documentation, reconciliation, and audit readiness.
- **Baldwin County Commission Records Retention Policy**
 - Specifies minimum retention periods and documentation requirements for petty cash logs and reconciliations.

5. RELATED POLICIES AND REFERENCES

- **Policy #8.2 – Funds Handling Policy**
 - Establishes principles for the receipt, custody, and deposit of County funds.
- **Petty Cash Procedures and Reconciliation Guidelines**
 - Issued by Finance/Accounting to support operational consistency and compliance.

6. ATTACHMENTS

N/A