



BALDWIN COUNTY COMMISSION
~~POLICY #8.15—PETTY CASH POLICY~~
Date Adopted: March 17, 2009
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<u>POLICY # 8.15</u>	
<u>Subject</u>	<u>Petty Cash Policy</u>
<u>Date Adopted</u>	<u>Month ##, 202#</u>
<u>Agenda Item</u>	<u>CA?</u>
<u>Obsolete Versions</u>	<u>Adopted March 17, 2009 / BCC Minutes, Page 11</u>

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1. POLICY STATEMENT

~~The This policy is to ensure that~~ 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 ~~handled~~ 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 ~~accepted standards of~~ 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. ~~All employees authorized to handle petty cash shall sign a copy of this policy acknowledging the Baldwin County Commission petty cash policy and procedures, petty cash management, and financial transparency.~~

PROCEDURAL REQUIREMENT

- ~~Establishment of Petty Cash Fund~~ 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

~~The Department Head establishes the petty cash fund for his/her department. The petty cash fund limit is \$250.00. In order to establish a petty cash fund, an agenda action must be prepared and official Commission approval must be taken. Included in the agenda action should be the following:~~

- ~~• Reason to establish a petty cash fund~~
- ~~• Intended use of petty cash fund~~
- ~~• Amount required~~
- ~~• Custodian name~~

Petty Cash Fund Security

~~The Custodian of the petty cash fund is responsible for the safekeeping and disbursement of the petty cash. The following safeguards must be taken:~~

- ~~• The petty cash fund must be kept in a locked cabinet or drawer~~
- ~~• During an absence of the Custodian, a temporary custodian may be appointed by the Department Head~~

Disbursement of Petty Cash Funds

~~All funds disbursed from the petty cash fund must be recorded in a petty cash log and have supporting receipts containing the following:~~

- ~~• Date of purchase~~
- ~~• Name of vendor~~
- ~~• Amount paid~~
- ~~• Description and purpose of goods or services rendered~~
- ~~• Signature on receipt indicating receipt of goods or services~~
- ~~• The individual receiving the payment must sign the petty cash log acknowledging receipt of the funds~~
- ~~• All receipts will be placed with the petty cash log until request is made for reimbursement of the fund~~

~~All petty cash fund expenses must be County approved expenses. Under no circumstances can the petty cash fund be used for any kind of personal expenses. Under no circumstances can the petty cash fund be used to cash personal checks.~~

Replenishing Petty Cash Funds

~~When requesting reimbursement of the petty cash fund, the Custodian shall prepare a petty cash reconciliation using the Petty Cash Reconciliation Form to confirm that all the cash on hand plus all the receipts equal the approved amount of the petty cash fund. With the request for reimbursement, the following must be attached:~~

- ~~• All receipts~~
- ~~• Voucher with coding for each receipt
 - ~~○ The total of the voucher must equal the attached receipts~~~~
- ~~• Petty cash reconciliation showing where the cash plus the submitted voucher equals the approved petty cash fund amount~~
- ~~• Submit to the Accounting Department for processing~~

- **Reconciliation ~~of the Petty Cash Fund~~ Guidelines**

~~In addition to the petty cash fund reconciliation prepared when replenishing the petty cash fund, a monthly reconciliation will also be prepared as follows:~~

- ~~• The Custodian will reconcile the petty cash fund monthly using the Petty Cash Reconciliation Form~~
- ~~• The reconciliation will be forwarded to Issued by Finance/Accounting for verification~~

~~Internal Control Procedures~~

- ~~○ Accounting staff may at any time make unannounced visits to support operational consistency and perform a cash count of the petty cash fund. During this visit, the accounting employee will perform the following: compliance.~~
- ~~• Count the cash~~
- ~~• Review the documents on hand and perform a petty cash fund reconciliation~~
- ~~• Sign the reconciliation and file with the Accounting Department~~

~~FORMS / ATTACHMENTS / EXHIBITS~~

- ~~• Baldwin County Commission Petty Cash Reconciliation Form~~