

COMMISSION POLICY

POLICY #8.15

SUBJECT: Petty Cash Policy

DATE ADOPTED
March 17, 2009

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OBSOLETE VERSIONS *(Can be found in the Inactive Policy Book.)*
DATE ADOPTED **PAGE (BCC MINUTES)**

NOTE: (CHARACTERISTICS OF A GOOD POLICY AND PROCEDURE DOCUMENT) -- A policy is typically a document that outlines specific requirements or rules that must be met. The overall goal is to write policies that are clear, concise and in simple language. If you use an acronym, spell it out the first time you use it.

POLICY STATEMENT

This policy is to ensure that petty cash funds are handled in accordance with accepted standards of 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.

PROCEDURAL REQUIREMENT

Establishment of Petty Cash Fund:

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:

- a. Reason to establish a petty cash fund.
- b. Intended use of petty cash fund.
- c. Amount required.
- d. 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 have to be taken:

- a. The petty cash fund must be kept in a locked cabinet or drawer.

- b. 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:

- a. Date of purchase.
- b. Name of vendor.
- c. Amount paid.
- d. Description and purpose of goods or services rendered.
- e. Signature on receipt indicating receipt of goods or services.
- f. The individual receiving the payment must sign the petty cash log acknowledging receipt of the funds.
- g. 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 needs to be attached:

- a. All receipts.
- b. Voucher with coding for each receipt.
 - i. The total of the voucher has to total the attached receipts.
- c. Petty cash reconciliation showing where the cash plus the submitted voucher equals the approved petty cash fund amount.
- d. Submit to the Accounting Department for processing.

Reconciliation of the Petty Cash Fund:

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

- a. The Custodian will reconcile the petty cash fund monthly using the *Petty Cash Reconciliation Form*.
- b. The reconciliation will be forwarded to accounting for verification.

Internal Control Procedures:

Accounting staff may at any time make unannounced visits and perform a cash count of the petty cash fund. During this visit, the accounting employee will perform the following:

- a. Count the cash.
- b. Review the documents on hand and perform a petty cash fund reconciliation.
- c. Sign the reconciliation and file with the accounting department.

FORMS/ATTACHMENTS/EXHIBITS

Baldwin County Commission Petty Cash Reconciliation Form

