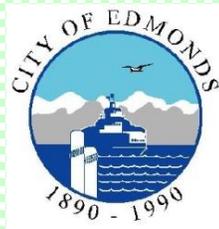


# **City of Edmonds**



## **Petty Cash Policy**

**March 2005**

**Section Index:**

- 1.0 General**
- 2.0 Definitions**
- 3.0 City Resolution**
- 4.0 Petty Cash Fund Procedures**
- 5.0 Monitoring**

**1.0 General**

- 1.1 The purpose of this policy is to inform employees of proper petty cash internal control procedures. Strong internal controls for cash are necessary to prevent mishandling of City funds. They are designed to safeguard employees from inappropriate charges of mishandling funds by defining their responsibilities in the petty cash handling process.
- 1.2 This policy applies to all City employees and Departments
- 1.3 This policy is being initiated by the Finance Department

**2.0 Definitions**

- 2.1 “Petty Cash” is defined as a City established reimbursement fund with an authorized amount of money set aside for such specific purposes as minor disbursements and similar uses.

**3.0 City Resolution**

- 3.1 **Resolution 1086** - Authorizing the Administrative Services Director to establish and maintain petty cash and change funds for the various departments of the City.

**Section 1:** The Administrative Services Director is hereby authorized to establish and maintain petty cash funds in amounts not to exceed Five Hundred Dollars (\$500) per fund for the various City departments.

**Section 2:** Accounting records shall be maintained for all such funds in accordance with generally accepted governmental accounting practices and the rules and requirements of the Washington State Auditor.

#### **4.0 Petty Cash Fund Procedures**

- 4.1 The Department Director shall appoint one custodian of each petty cash account.
- 4.2 The Custodian shall assure the petty cash is kept in a safe place.
- 4.3 If the employee needs a cash advance to make a purchase, the Custodian shall have the employee sign the petty cash voucher indicating receipt of the cash.
- 4.4 If the employee needs to be reimbursed for a purchase made, then an original receipt must be provided to the Custodian.
- 4.5 The petty cash fund shall be reconciled and replenished at least monthly. All original receipts must be attached to the petty cash vouchers. The receipts must show the detail of the purchase, the date, and amount. The voucher must include the date, amount, purpose, account (BARS) code, and a signature from the employee, employee's supervisor, and petty cash custodian.  

The petty cash fund must be replenished at the end of the fiscal year so that expenses will be reflected in the proper accounting period.
- 4.6 The Custodian shall ensure and document that the balance remaining in petty cash, together with the amount of the replenishment voucher, equals the authorized amount.
- 4.7 The replenishment should be subject to the same review and approval as processed invoices. The replenishment must be by voucher with the appropriate original receipts and documented reconciliation attached.
- 4.8 No other receipts may be deposited to the petty cash fund. The fund may not be used for personal cash advances even if secured by check or other I.O.U. This fund may not be used to cash personal checks.

#### **Monitoring**

- 5.1 The Custodian's supervisor shall review and approve all petty cash reimbursement requests with supporting documentation.
- 5.2 The Finance Department shall conduct semi-annual surprise cash counts to ensure that the petty cash procedures are being followed, and that all cash is accounted for and properly reported on the balance sheet.