



### Petty Cash

The following operating procedures are in accordance with SP 3310:

#### Quick Links:

[Purpose](#) | [Establishing](#) | [Petty Cash Custodian](#) | [Managing](#) | [Restrictions](#)  
[Cash Advance](#) | [Replenishment](#) | [Reconciling](#) | [Audit](#)

#### Purpose:

- A petty cash fund may be authorized by a division Assistant Superintendent to provide a department with ready cash for the payment of small incidental expenditures.
- Petty cash disbursements should only be used for small incidental or emergency expenditures, and not as a method to bypass BCOE purchasing policies/processes.

#### Establishing: ([back to top](#))

- Petty Cash funds are established through the Fiscal Services/Internal Services department by withdrawals from the general account, and kept under general ledger control.
- To establish a petty cash fund, a department should fill out the “[Request to Establish Petty Cash Fund](#)” form ([BSF-115](#)), obtain signature of department head and designated Petty Cash Custodian, as well as approval/signature of applicable division Asst. Superintendent. The amount of the Petty Cash fund requested should remain within the needs of the department, with a maximum of \$250 per fund.
- The original BSF-115 should be sent to the Internal Services Manager for approval, who will sign/date and notify the requesting department. The original BSF-115 will then be filed with Accounts Payable for their records.
- To obtain cash for the newly established Petty Cash fund, the requesting department should encumber a purchase order (via the BusinessPLUS (IFAS) financial system) requesting “**Establish Petty Cash Funds**”, utilizing **Vendor #0113855**, and **org/object 38500-9130**. Also, the PO description should note the name of the authorized Petty Cash Custodian for the approved fund.
- Submit the original PO (approved by an authorized signer) to Accounts Payable for processing.
- Accounts Payable will only process Petty Cash Fund purchase order requests if an approved BSF-115 (Establish Petty Cash Fund) is on file.
- Accounts Payable will prepare a check made out to “Cash” and notify the applicable authorized Petty Cash Custodian that the check is ready for pick-up.
- Upon check pick-up, the Petty Cash Custodian must bring a secure (lockable) cash bag to Accounts Payable as a means to securely transport the check to the bank.

#### Petty Cash Custodian: ([back to top](#))

- Accountability for a Petty Cash Fund should be assigned to one employee (per approved Petty Cash fund), designated as the Petty Cash Fund Custodian. The Petty Cash



## Operating Procedures

Custodian is authorized to make payments from a Petty Cash fund, and is responsible for the value of the fund, as well as ensuring that all policies and procedures are adhered to.

- The Petty Cash Custodian is responsible for maintaining the fund in a safe manner, distributing cash to individuals upon request, obtaining supporting documents for disbursements made, and maintaining petty cash receipts in numerical order.
- Additional responsibilities include monthly reconciliation and replenishment of the Petty Cash fund (see applicable sections below), and secure transport of the Petty Cash fund check (via locked cash bag) to and from the bank.
- Petty Cash funds should be secured at all times, and only the Petty Cash Custodian should have access to the locked cash bag and locked cash storage container.
- To change the designated Petty Cash Custodian, first reconcile the Petty Cash fund (see applicable section below), complete the “Change of Petty Cash Custodian Form” ([BSF-117](#)), and then submit original to the Internal Services Manager in Fiscal Services. The Internal Service Manager will sign/date, and file with Accounts Payable for their records.

### **Managing:** ([back to top](#))

- Petty Cash funds are to be maintained on an imprest basis, which means that the amount of the Petty Cash Fund should remain constant. The amount of currency and coin plus the petty cash receipts in the fund should equal the authorized amount of the fund at all times.
- Petty Cash funds should be reconciled and replenished on a monthly basis.
- Cash and receipts for expenditures should be secured and safeguarded in a metal locking box, and placed inside a locked desk or cabinet.

### **Restrictions:** ([back to top](#))

- Authorization of a Petty Cash Fund is limited to \$250 maximum.
- Employees are prohibited from cashing personal checks from the Petty Cash funds.
- Fund cannot be used to pay individuals for services rendered.
- Fund cannot be used for personal expenses or loans.
- Petty Cash funds must never be deposited into a revenue account code.

### **Cash Advance:** ([back to top](#))

- The Petty Cash Custodian should only release funds under the Petty Cash Operating Procedures as established, and only in exchange for an authorized Petty Cash receipt.
- Departments with Petty Cash funds should obtain (via normal dept. purchasing process) a two-part Petty Cash receipt book to utilize with disbursements of cash. (Office Depot Item # 223446)
- The Petty Cash receipt should indicate the date, amount disbursed, purpose of the withdrawal, org/object key to charge, and the signatures of both the individual receiving the cash and the Petty Cash Custodian.



### Operating Procedures

- Petty Cash receipts should be numbered consecutively and fully accounted for at the time of the request. All disbursements from Petty Cash should be supported by documentation.
- The original Petty Cash receipt is kept with the Petty Cash Custodian, and the receipt copy is given to the individual, along with the cash.
- The individual utilizing the cash for a purchase must obtain an itemized sales receipt from the vendor that indicates the date, place of purchase, and description of item(s). The original itemized sales receipt must then be returned to the Petty Cash Custodian and filed with the Petty Cash receipt.
- If a sales receipt from the store vendor cannot be provided to the purchaser, the Petty Cash Custodian should verify on the Petty Cash receipt that the purchaser utilized the cash for the purpose intended.
- The Petty Cash Custodian is responsible for ensuring that the recipient returns any unused cash. Amount of returned unused cash should be noted on the Petty Cash receipt, and initialed by the Custodian.

#### **Reconciling:** [\(back to top\)](#)

- On a monthly basis, the Petty Cash Custodian must reconcile the Fund, utilizing the “Petty Cash Reconciliation Form” ([BSF-116](#)), which is formatted to auto-calculate when used electronically.
- For auditing purposes, the BSF-116 must be printed, signed, dated, and the original filed with the department responsible for the Fund.
- Any Variances noted on the BSF-116 must be explained on the reverse of the form by the Petty Cash Custodian.
- Specific directions on how to complete the BSF-116 are noted on the form.
- At any time, the sum of the cash on hand, plus the total receipts, and replenishment requests in process should equal the authorized amount of the Petty Cash fund.

#### **Replenishment:** [\(back to top\)](#)

- On a monthly basis, the Petty Cash Custodian must replenish the fund with an amount equal to the expenditures made from the Fund, per the amount noted on the Petty Cash Reconciliation form (BSF-116).
- To replenish the Fund, encumber a purchase order (via the BusinessPLUS (IFAS) financial system) requesting “**Replenish Petty Cash Funds**”, utilizing **Vendor #0113855**, and **the org keys(s) noted on the Petty Cash receipts, and object code 4300**. The PO description should also note the name of the authorized Petty Cash Custodian for the Petty Cash fund.
- Submit the original PO (approved by an authorized signer), copy of “Petty Cash Reconciliation Form” (BSF-116), and original vendor receipts to Accounts Payable for processing.
- Accounts Payable will only process Petty Cash Fund replenishment purchase order requests **if** an approved BSF-115 (Establish Petty Cash Fund) is on file.



### Operating Procedures

- Accounts Payable will prepare a check made out to “Cash” and notify the applicable authorized Petty Cash Custodian that the check is ready for pick-up.
- When picking up the check, the Petty Cash Custodian must bring a secure (lockable) cash bag to Accounts Payable as a means to securely transport the check to the bank.

**Audit:** ([back to top](#))

- The Internal Services Manager maintains a list of all approved Petty Cash funds.
- On a periodic basis (announced or unannounced), the Internal Services Manager will perform an audit of all Petty Cash Funds, ensuring that all monies and disbursement receipts are properly accounted for and managed according to procedure.
- The Petty Cash Custodian should ensure that the fund is balanced and available for audit at all times.
- Petty Cash Fund privileges may be revoked at any time, per the discretion of the Fiscal Services department and/or Asst. Superintendent of Administrative Services.