

AFSA High School

Adopted: October 15, 2007
Revised:

District 4074

731 PETTY CASH

Purpose of Procedure

To recognize that an authorized individual may establish petty cash/contingency funds for reimbursement of small, emergency cash disbursements that are outside of the normal payment process and have proper approval for reimbursement. This procedure will help establish proper transaction tracking into the accounting system and maintain an on going reconciled petty cash account.

Overview

A petty cash/contingency fund is established for a specific amount of funds. The account may be a small cash amount (petty cash) retained in the office or a larger sum held in a checking account (contingency fund). At any particular time, the total of a petty cash/contingency fund should consist of cash and cash receipts aggregating to the authorized amount of the cash fund.

- Payroll and capital expenses should not be paid from Petty cash accounts.
- No personal checks may be cashed from petty cash funds.
- No revenue receipts may be deposited through the petty cash funds.
- Petty cash funds should be physically segregated from any other cash on hand and safeguarded against theft and loss.

Petty cash/contingency funds should be kept separate from and not mistaken for CHANGE FUNDS.

Change Funds are issued to provide change for activities such as ticket sales at a sport event, food service sales or student store sales. Change funds initial amount must be segregated and reconciled when deposits of cash receipts are made. No payments may be made from change funds.

Steps

Disbursements from Petty Cash/Contingency funds:

All petty cash/contingency fund payments should be supported by a “petty cash reimbursement claim form” (see sample attached) and should have some documentation of the expenditure.

- a. Individuals expecting reimbursement should attach a paid bill, cash register tape, or similar evidence of payment.
- b. Direct payments should be supported by an invoice, freight bill or other written document.

All petty cash/contingency fund payments should be completed with the date, account code, the person payable to, address (if applicable), amount, reason for request and an authorized approval. On rare occasions when no documentation is available, a properly completed a “petty cash reimbursement claim form” can become the sole support for a disbursement. (e.g., request for reimbursement of bus fares when no receipt is obtainable.)

Replenishment of Petty Cash/Contingency Funds

An invoice payment form should be completed **monthly** to request replenishment of payments made during the month. All payments for the same expenditure code may be combined and entered as one line on the invoice payment form. For contingency funds utilizing a checking account, the invoice form may be completed by listing each check in proper sequence and using the check number as the invoice number. Supporting documentation should be assembled in account number order or check number order and placed in an envelope. This envelope must be attached to the invoice form.

Include in the envelope a reconciliation of the cash “on hand” and/or “in the bank” and the paid petty cash receipts being presented for replenishment. The total must agree with the authorized amount of the petty cash/contingency fund. (See sample attached)

The invoice payment form should be payable to “petty cash” and the name on the checking account or the individual who is holder of the petty cash. The designation “petty cash” should not be omitted, as it separates petty cash replenishment checks easily in the alpha check register.

Bank Reconciliation

Contingency Fund bank accounts must be reconciled to the bank statements each month.

Year End Procedures

At fiscal year end each person holding a petty cash/contingency fund and/or change fund should confirm with the business office if they wish to relinquish the fund, or retain it for the coming year. Petty cash/contingency funds that are retained should, in total, balance with the general ledger account for petty cash (102.00).

PETTY CASH REIMBURSEMENT CLAIM FORM
Request for petty cash funds or payment from a contingency fund

Date: _____

Petty Cash/Contingency Account: _____

Request for Cash /Check issuance:

Payable to: _____

Address: _____

<u>Item</u>	<u>Cost</u>	<u>Account Code</u>	<u>Reason for need</u>
_____	_____	_____	_____
_____	_____	_____	_____

Requested By: _____

Authorized Approval Signature: _____

Office Use:

Check No. Issue: _____

Amount Issued: _____

Date Issue: _____

Issued By: _____

Reconciliation of Petty Cash or Contingency Fund Accounts

For the Month of : _____

Cash balance on checking account register: _____

Cash on Hand: _____

Total of Cash Receipts: _____

Total =====

Total of Authorized Fund Amount =====

Signature: _____

Date: _____

