

SECTION 1 PETTY CASH

1.1 Definition

Often campuses need to make immediate small cash payments. In response to these cash needs a petty cash fund may be established. A petty cash fund must be authorized by school district policies and approved by central administration. The school principal or campus administrator is responsible for maintaining and protecting the petty cash fund. The petty cash fund's cashier (secretary/bookkeeper) is that person assigned to manage the fund on a daily basis.

1.2 Guidelines

- ◆ Petty cash funds should not maintain balances of more than \$200 at elementary schools and \$300 at secondary schools.
- ◆ The maximum amount for which cash payments should be made is \$40 unless special approval is granted by the Business Manager.
- ◆ The secretary/bookkeeper is prohibited from cashing employees' payroll or other checks.
- ◆ Petty cash funds shall not be a source of loans to employees or other persons.
- ◆ Petty cash funds shall not be commingled with cash obtained from other sources.
- ◆ Payments should be for authorized school activities only and supported by appropriate documentation.

1.3 Operating Procedures

Petty cash funds should be operated under an imprest system. Under an imprest system, a signed voucher (indicating the name of the payee and the reason for the payment) is required for each payment out of the fund. A ledger or running total of the remaining cash in the fund should be maintained. At all times, the total of the remaining cash and the receipts for payments made should equal the original balance of the petty cash fund.

The petty cash fund should be replenished when the remaining cash balance becomes low. An open requisition for replenishment of the fund should be submitted to the Business Office at the beginning of the school year. For reimbursement, a Petty Cash Reimbursement form and petty cash receipts and vouchers should be submitted to the bookkeeping department at the Administration Building.

The following procedures summarize the petty cash fund operations:

- ◆ Once established, the petty cash fund should be maintained in a secure location such as a locked filing cabinet or safe.
- ◆ For an approved payment from the petty cash fund, complete a Petty Cash Voucher (BUS-F) showing the purpose of the payment, the amount and the appropriate account code. A sales ticket or other supporting documentation should be attached to the Petty Cash Voucher. The receipt should be signed by the secretary/bookkeeper and recipient of the cash, dated, and completed at the time cash is given out. All petty cash vouchers must be signed by the school principal/supervisor as approval of payments.
- ◆ The petty cash fund should be reconciled periodically or at least monthly unless no cash was disbursed. The petty cash fund balances when the total of the remaining cash and the Petty Cash Vouchers agree with the original balance of the petty cash fund.