

Series: Cash Management

COA: FIN 2, FIN 7.2,
FIN 7.3, FIN 7.5,
RPM 5
CFOP:

Procedure Name: Petty Cash Funds
Procedure Number: CM-130
Revision #/Date: (2) 2-05-09
Effective Date: 02/28/05
Applicable to: All CBCB Staff

SUBJECT: Petty Cash Funds

PURPOSE: To limit access to and properly safeguard petty cash funds.

PROCEDURE:

References

CBCB Policies/Procedures: AP-432, GOV-202, GOV-203, GOV-208

Petty Cash Request Form

Petty Cash Log

A. Disbursements from Petty Cash Funds

1. Petty cash funds will be available at the following locations with the listed balances:

- Lead Agency Office - \$200.00
- North Care Center - \$50.00
- Central Care Center - \$100.00
- South Care Center - \$100.00

2. The petty cash funds must be kept in a secure place (at a minimum, a lock box in a locked desk drawer or cabinet.)

3. The following positions will be responsible for the petty cash fund at each location:

- Lead Agency Office – Administrative Assistant to the Chief Financial Officer (CFO)
- North Care Center – Administrative Assistant
- Central Care Center - Administrative Assistant
- South Care Center - Administrative Assistant

All transactions for paying out petty cash disbursements should go through the assigned position. No other staff members should have access to petty cash. A substitute can be used during vacation periods. The petty cash fund should be counted and signed over to the substitute when the vacation period begins. Upon returning from vacation, the petty cash fund is counted and signed back over to the permanent assigned position responsible. A record of this procedure must be submitted to the Accountant or CFO designee during the first monthly reconciliation submission following the reassignment.

4. Each payment from petty cash must be substantiated by a bona fide receipt. A "Petty Cash Request Form" must be completed before any petty cash funds are distributed. After the funds are spent, a receipt for the use of the funds will have to be returned and attached to the Petty Cash Request Form. Reimbursement to the petty cash drawer will not be made without a receipt(s). All purchases must be approved by the appropriate supervisor. Reference procedure AP-432, Purchase Authorization.

In turn, each disbursement from or deposit to the petty cash drawer must be recorded on the Petty Cash Log. This log will be reconciled monthly. The Petty Cash Log for each location will be maintained on the CBCB server at the following location:

G:\shared documents\Finance Folders\Petty Cash

Passwords for access to each Petty Cash Log will be maintained by the CFO.

5. Only miscellaneous purchases are to be made from petty cash; the maximum single expenditure from petty cash is \$25.00 or as approved by the CFO or Chief Executive Officer (CEO).
6. Never issue refunds from petty cash. It is critical that CBCB's accounting records document the name of the direct recipient of a refund. A refund could be difficult to trace through petty cash records. The same is true for any type of contract payment or honorarium.
7. Written on each receipt submitted should be the expense account number(s) to be charged. The staff person responsible for the petty cash fund should verify that account numbers charged are valid.
8. Requests to set up new petty cash funds, make changes in existing funds, or close out a petty cash fund should be made through the CFO.

B. Reimbursements of Petty Cash Funds

1. All petty cash funds will be reconciled on a monthly basis on the Petty Cash Log maintained at each location. This reconciliation will be submitted to the Accountant or CFO designee by the fifth working day of the calendar month following the month of operations being reconciled.
2. The reconciliation will be performed by a CBCB staff member other than the individual in the position assigned to hold the petty cash funds. This staff member will count the petty cash fund to make sure it balances (cash on hand plus receipts equals total petty

cash issued). Unannounced "spot" audits will be performed by the Accounting Department.

Petty cash reconciliations should be submitted at a minimum of once a month. If needed, a request to reimburse petty cash can be submitted to the Accounting Department during the month as often as necessary.

3. For petty cash funds to be reimbursed a reconciled Petty Cash Log must be submitted to the Accounting Department with all bona fide receipt(s) and corresponding Petty Cash Request Form(s) attached. The location requesting reimbursement must also submit an appropriately executed check request form made payable to the position responsible identified in section A(3) above.

C. Overages/Shortages in Petty Cash

If the petty cash fund is ever short or over funds, the reason must be identified. A brief memo explaining the overage/shortage must accompany the Petty Cash Log to the Accounting Department.

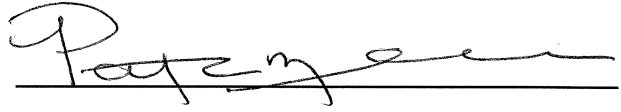
If the staff person responsible for petty cash does not have a receipt for each payment, they will be held responsible for reimbursement to CBCB.

D. Closing Out a Petty Cash Fund

If, for any reason, a petty cash fund is to be discontinued (closed out), the following procedures should be followed:

1. Prepare a final Petty Cash Reimbursement. It is imperative that this final report match the total petty cash fund amount.
2. Take the cash-on-hand and forward to the Accounting Department for the funds to be deposited. The reimbursement funds are then receipted to the petty cash funds account. These funds are receipted through the normal procedures.
3. Clearly indicate on the Check Request Form that this is the final reimbursement and the petty cash fund is being closed out. The Accounting Department will then prepare a journal entry to charge these final expenditures to the proper general ledger accounts.

BY DIRECTION OF THE CHIEF EXECUTIVE OFFICER:



DR. PATRICIA NELLIUS-GUTHRIE
Chief Executive Officer
CBC of Brevard, Inc.

APPROVAL DATE: 3/17/09