SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

POLICIES & PROCEDURES MANUAL

POLICY 51.010 - PETTY CASH PROCEDURES

Date: October 2022

Revision No.: 10

Supersedes: July 2022 First Adopted: July 28, 1989

PETTY CASH FUND POLICY:

It is the policy of the Department to maintain and control a petty cash purchasing system to facilitate the efficient procurement of low-cost supplies, materials or services that are not available from the storeroom and for which the established purchase order requisition process is not practical.

Division/Section:	Petty Cash Amount:
Finance/Purchasing	\$1,000.00

PROCEDURES:

Finance/Purchasing is to maintain a locked cash box under the control of an appointed employee who will act as the Petty Cash Custodian. The Director of Finance and will appoint the Petty Cash Custodian.

RESPONSIBILITY:

Employee: Purchases needed item(s) with supervisor's approval in advance, pays cash or receives a cash advance, and obtains receipt or invoice from supplier.

Petty Cash Custodian shall:

- A. Prepare a Petty Cash Voucher/Advance form found on the T: drive under forms for each expenditure or advance and obtain signature of employee receiving petty cash disbursement.
- B. Attach a vendor's receipt(s) or cash register tape to the original copy of the Petty Cash Voucher/Advance form.

- C. Place original copy of the Petty Cash Voucher/Advance form along with supporting receipt(s) in the Petty Cash fund.
- D. Maintain a written log of all petty cash transactions.
- E. Require a signed Petty Cash Voucher/Advance Form or Expenditure Receipt for all Petty Cash Funds requested in advance. A maximum of \$75.00 is set for each Petty Cash Advance.
- F. If Petty Cash funds are provided in advance, denote this on the Petty Cash Voucher/Advance form or Expenditure Receipt.
- G. Receipts for any Petty Cash Advances must be submitted by employees within seven (7) days of receipt of the advance.
- H. Ensure that the total of the Petty Cash Voucher/Advance forms plus cash on hand always equals the total amount authorized in the Petty Cash Fund.
- I. Initiate reimbursement of the Petty Cash Fund, from time to time, when the cash balance of the funds reaches 25% of balance or less.
- J. Send Request for Payment, supported by Receipt for Expenditure forms and vendor receipts to Finance for approval as needed.
- K. Ensure that funds are secured at all times in a locked place.
- L. The custodian will maintain copies of the petty cash log until the audit for each fiscal year is completed.

Finance shall:

- A. Review for proper expenditure, and approve claim for reimbursement of Petty Cash Fund, payable to the custodian.
- B. At any time, the Director of Finance or designee may perform a petty cash count and reconciliation.

General Rules:

- 1. Each single Petty Cash transaction is limited to \$75.00. Items costing more than \$75.00 are to be processed through p-cards or a request for payment.
- Supervisors must approve petty cash purchases in advance and sign the Petty Cash Voucher/Advance form to signify approval.

- 3. Each Petty Cash Voucher/Advance form must be accompanied by a receipt to support the purchase. When a receipt is not submitted with the Petty Cash Voucher/Advance form, the employee must provide an explanation for not having a receipt, complete a missing receipt form and have the Division Head approve the voucher.
- 4. Items prohibited from purchase through the Petty Cash Funds:
 - > Items carried in the Department's storeroom
 - > Payment of personal services
 - > Cash advances to employees for purposes other than purchasing petty cash items
 - Cashing any type of check (including employee's personal or payroll check)

GENERAL MANAGER OVERRIDE PROVISION:

The current disbursement limits referred to herein of \$75 may be overridden by written approval of the General Manager or Director of Finance up to a maximum of \$200 to fund bonafide emergency cash purchases for which no other payment means is available.

Policy F	Review
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Established:	7/28/1989
Revision:	2/1/1994
Revision Board approved:	4/7/1998
Revision Board approved:	5/24/2005
Revision Board approved:	4/18/2006
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