1.0 Policy:
Local Government ABC requires all departments to follow the below procedures establishing,
overseeing, and closing out petty cash accounts.

Use of petty cash accounts is encouraged for purchasing of low-cost items from local vendors.

Petty cash accounts will not exceed $1,000.

2.0 Procedures:
The following procedures are designed to guide departments in establishing, overseeing, and
closing out petty cash accounts.

2.1 Establishing a Petty Cash Account [no need to indent these]

2.1.1 Departments must complete the Petty Cash Authorization form and submit it to the Cash Management manager.

2.1.2 Once approved, department managers will be responsible for acquiring a lockable cash box. Contact the business services office for the box.

2.1.3 Funds and a transaction log will be provided once the lockable cash box has been obtained.

2.1.4 Each department will designate one employee to be responsible for the petty cash account.
2.2 Overseeing the Petty Cash Account

2.2.1 All withdrawals and deposits from/to the petty cash account will be recorded in the transaction log. This will be performed by the employee responsible for the petty cash account.

2.2.2 Petty cash accounts will be balanced at the department level on a monthly basis. This will be performed by the department manager.

2.2.3 Requests to replenish the petty cash account can be made at the end of each month. These requests will be sent to the Cash Management department.

2.2.4 All shortages and overages will be reported to the Cash Management department immediately.

2.3 Closing out the Petty Cash Account

2.3.1 A department’s petty cash account should be closed out if there is no longer a need for such an account.

2.3.2 When closing the account, a final reconciliation will be performed by the employee responsible for the account. The department manager will review this reconciliation. The review will be acknowledged with the manager’s signature.

2.3.3 The reviewed reconciliation and any remaining petty cash funds will be returned to the Cash Management department.

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