

City of Richmond

Administrative Manual

SUBJECT: Petty Cash

SECTION: Finance

POLICY NUMBER: AP 510

INITIAL DATE PREPARED: August 25, 1999

LAST DATE REVISED: August 25, 1999

I. Purpose

To establish a City-wide policy and procedure for the creation and maintenance of petty cash funds to assist employees in serving the public and fulfilling their duties.

II. Policy

The City of Richmond maintains seven petty cash funds to be used by City employees for incidental expenditures and to accommodate the public. The petty cash system does not supersede or invalidate any existing procurement or financial controls.

III. Guidelines and Conditions

A. Petty Cash Funds

1. The City has seven petty cash funds staffed by a designated Petty Cash Fund Custodian in the following locations:

<u>Location</u>	<u>Monday-Friday Operating Hours</u>	<u>Departments Covered</u>
Finance	8:30 am - 5:00 pm	Civic Center
Employment & Training	8:30 am - 5:00 pm	Fire; Redev.; E&T; Library
Marina	8:30 am - 5:00 pm	Marina
Port	8:30 am - 5:00 pm	Port
Police	8:30 am - 5:00 pm	Police

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<u>Location</u>	<u>Monday-Friday Operating Hours</u>	<u>Departments Covered</u>
Public Services Corp. Yard	6:30 am - 3:00 pm	PS Corporation Yard
Recreation	8:30 am - 5:00 pm	Recreation & Parks

2. Locations of petty cash funds and amounts authorized for each location are designated by the Finance Director.

B. Guidelines for Petty Cash Expenditures

1. The petty cash system is intended to be used for purchases totaling \$40.00 or less which are not cost-effective to process through the purchase order or accounts payable systems. Purchases totaling over \$40.00 can be handled through the invoice process (AP 506), a Travel Expense Report (AP 508) or a Procurement Order (**AP 6__**).
2. Petty cash should generally be used for the following:
 - a. One time purchases of items not normally stocked by the City.
 - b. Reimbursement for infrequent mileage when a pool car is unavailable, parking or toll charges for individuals who would not normally submit a Travel Expense Report.
 - c. Emergency purchases.

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Administrative Manual

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3. Petty cash should not be used for:
 - a. Promotional expenses
 - b. Meal allowances
 - c. Computer software
 - d. Gifts
 - e. Charges to work orders
 - f. Entertainment

C. Department Director's Responsibility

Department directors are responsible for requests for petty cash funds that are approved by their department. Department directors will designate management officials authorized to approve requests for petty cash funds. Department directors will provide a statement to the designated Petty Cash Fund Custodian containing the signatures of those designated management officials to approve Petty Cash Fund vouchers.

D. Custodian's Role and Responsibility

1. Custodians of petty cash accounts are personally responsible for having in their possession and under their exclusive control either properly certified vouchers or cash equal to the limit established for them.
2. The Petty Cash Fund Custodian at each location should designate and train an alternate custodian and provide that individual's name to the Finance Director.

E. Financial Controls

1. The sum of the properly certified vouchers and cash on hand should equal the limit established for each petty cash fund at all times.

City of Richmond

Administrative Manual

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2. Each petty cash fund is counted quarterly (October 1, January 1, April 1 and July 1) by the Petty Cash Fund Custodian and his/her supervisor, working together. The result of the count (over/under) is reported to the Finance Director.
3. Petty cash funds are subject to surprise cash counts by the Finance Department.
4. Abuses of a petty cash fund may cause the fund to be closed and withdrawn from the location.

IV. Procedures

A. Requests for Reimbursements from Petty Cash

1. Any City employee may request petty cash, as necessary, from the designated Petty Cash Fund Custodian during the operating hours noted.
2. In general, reimbursements are made upon the presentation of an approved Petty Cash Voucher.
3. Petty Cash Vouchers may not be submitted and approved by the same person.

B. Petty Cash Voucher

1. For each reimbursement request, the employee completes a "Petty Cash Voucher" form, AP 510-1, indicating the date, description of the expenditure, detail of items purchased, accounting string coding and amount. Supporting documents -- originals of vendor's invoices, cash receipts, etc. -- must be attached.
2. The employee submits the voucher to the designated management official in his/her department for an approval signature. Designated officials are

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responsible for verifying the accuracy and appropriateness of the Petty Cash Voucher in accordance with this policy statement.

3. The employee presents the approved voucher to the Petty Cash Fund Custodian.
4. The Petty Cash Fund Custodian reviews the voucher to ensure that it is filled out accurately, includes an authorized signature and has the necessary supporting documents. The authorized signature is confirmed against the Petty Cash Authorized Signature form, AP 510-2.

C. Replenishment of Petty Cash Funds

1. Petty Cash Fund Custodians shall replenish their fund as necessary, but not less often than monthly, directly from the Accounts Payable Section in the Finance Department.
2. To receive the funds, custodians will submit a completed and properly coded Petty Cash Fund Report (AP 510-3), with all Petty Cash Vouchers and accompanying receipts attached, to the Accounts Payable Section.
3. The Accounts Payable Section issues a check made out to:

The City's current bank
Petty Cash/Change Order
4. Cash delivery shall be arranged through the Finance Department and in compliance with normal banking procedures.