

## **DEPARTMENT OF NATURAL RESOURCES**

### **FISCAL SERVICES POLICY NO. 9**

**EFFECTIVE DATE:       JANUARY 4, 2021**

**SUBJECT:                PETTY CASH**

**AUTHORIZATION:       THOMAS F. HARRIS, SECRETARY**

#### **I.    POLICY**

This policy and related procedures address the Department of Natural Resources' (DNR) various imprest accounts and establish standards to maintain integrity in the process.

#### **II.   PURPOSE**

For small, unexpected business expenses, the petty cash fund will:

- Provide at-hand the financial means to cover the expense; or,
- Quickly and efficiently reimburse employees who have used personal financial means to cover the expense.

#### **III.   APPLICABILITY**

This policy applies to all classified and unclassified employees of DNR.

#### **IV.   PROCEDURES**

##### **A.    AVAILABLE FUNDS**

The amount of cash maintained in any petty cash drawer will be determined by the business need and agreed upon by the Appointing Authority and the office staff for which the funds will be provided. For creation of, change to, or closing of a petty cash drawer or to assign a new custodian or approver, a Petty Cash Designation Form must be submitted to Fiscal, see Attachment A.

The creation or closing of a petty cash drawer requires that a cash count be conducted by the DNR Internal Auditor. The auditor will also sign-off on the Petty Cash Designation Form.

## **B. SECURITY**

All petty cash must be contained in a lock box or other secured location that is in regular view and access of the petty cash custodian.

## **C. USES**

Petty cash is available for purchases or expenses that generally total \$50.00 or less per transaction; however, transactions should be approved on a case-by-case basis. Expenses should be covered by the LaCarte Purchasing Card, Fueltrac Card, or A/P vendor payment whenever possible. Petty cash purchases are completed in one of the following ways:

1. An employee has need to make a purchase and requests cash from the petty cash custodian. The custodian will complete a Petty Cash Voucher (see Attachment B) and route the form to the Petty Cash Approver for review. Upon approval, the custodian will disburse the cash, recording how much was dispersed to the employee on the form. Upon completion of the purchase, the employee will return the receipt and any unused funds to the custodian. The Petty Cash Voucher will be updated to record any unused funds returned or additional funds disbursed and the actual cost of the purchase. The receipt will be attached to the Petty Cash Voucher and both will be maintained in the petty cash drawer.
2. An employee encounters an unexpected work-related expense while on the job and covers the expense by personal means. The employee will turn the receipt in to the petty cash custodian and request reimbursement. The custodian will complete a Petty Cash Voucher and route the form to the Petty Cash Approver for review. Upon approval, the custodian will disburse the cash, recording how much was dispersed to the employee on the form. The receipt will be attached to the Petty Cash Voucher and both will be maintained in the petty cash drawer.

## **D. RECONCILIATION**

At any given time, the full amount of the petty cash drawer must be represented by the total of available cash and the receipts on-hand.

On a monthly basis, petty cash custodians must submit to Fiscal the Petty Cash Reconciliation Form, see Attachment C. The purpose of the reconciliation is to provide regular intervals of transparency and accountability of petty cash funds. The Petty Cash Reconciliation Form is due to Fiscal by close of business on the 10<sup>th</sup> working day of each month. As part of the reconciliation process, a cash count must be conducted by the custodian and witnessed by the approver.

## **E. REPLENISHMENT**

Because petty cash disbursements can be sporadic and inconsistent, petty cash custodians are at liberty to request replenishment as needed throughout the Fiscal Year. However, to ensure that all expenses are properly recorded in the correct Fiscal Year, all petty cash drawers must be replenished at year-end. Year-end replenishment requests must be received by Fiscal staff no later than July 15<sup>th</sup> of each year.

Replenishment requests are made via the Petty Cash Replenishment Request form, see Attachment D. Replenishment forms must be accompanied by the proper receipts and Petty Cash Vouchers. As part of the replenishment process, a cash count must be conducted by the custodian and witnessed by the approver.

Accounts Payable staff will issue a check made payable to the petty cash custodian. The custodian will negotiate the check and place the cash back into the petty cash drawer.

## **F. ROLES AND RESPONSIBILITIES**

### **1. PETTY CASH CUSTODIAN**

Petty Cash Custodians are responsible for maintaining the integrity of the drawer and ensuring security of the funds within. They disburse funds and must maintain documentation and available cash in the appropriate location. They must immediately notify Fiscal about any change in custodian or any issue that may arise with petty cash funds. The custodian is responsible for requesting replenishment from Fiscal. They can also initiate changes to the total petty cash amount and open/close a petty cash drawer with approval from the Appointing Authority.

### **2. PETTY CASH APPROVER**

Petty Cash Approvers are responsible for approving petty cash transactions prior to disbursement. Approvers and custodians cannot be the same individual. Approvers must be aware of and familiar with the normal business operations and expenditures in their office. They ensure petty cash transactions are valid business related expenses. They should also notify Fiscal immediately if any change in approver is needed.

### **3. FISCAL STAFF**

Fiscal staff will maintain a list of all petty cash custodians and approvers as well as their office locations and phone numbers. The list will be verified on an annual basis and updated as necessary. They will process replenishment requests in a timely manner and will maintain documentation for monthly reconciliations and replenishment requests according to Administrative Policy No. 8 for Records Retention.

### **V. EXCEPTIONS**

Exceptions to this policy require the approval of the Secretary.

### **VI. QUESTIONS**

Questions regarding this policy should be directed to the Fiscal Services Director.

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**THOMAS F. HARRIS, SECRETARY**

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**INITIAL ISSUE DATE: 1/21**