

## PETTY CASH FUND REGULATIONS

### A. BACKGROUND:

The petty cash fund is maintained in the central office to facilitate the processing and payment of minor purchases or expenditures not processed by the Purchasing Office, the reimbursement of minor local travel expenses, and the payment of small obligations when the issuance of a formal voucher and check is not cost-effective. However, the use of the petty cash fund must not be considered a substitute for or a means of circumventing established purchasing procedures.

### B. REGULATIONS:

- 1) The total value of each item reimbursed may not exceed \$30.00, unless specifically approved by the Director of Accounting. Purchases that are in essence one unit may not be divided for purposes of avoiding this limitation.
- 2) Items available under an existing contract or agreement may not be purchased through the petty cash fund, except in bona fide emergencies (as certified, in each case, by the department head).
- 3) Petty cash expenditures must be approved by the department head or his/her designee before reimbursement can be made.
- 4) Petty cash funds may not be used for payment of salaries or wages, for cashing checks or other negotiable instruments, for personal loans, or for items for personal use or benefit.
- 5) Petty cash funds may not be used for the payment of travel, except for:
  - a. Travel where legal requirements dictate emergency travel, where time is of the essence, and the travel is initiated after normal business hours; or
  - b. Out-of-pocket expenses for local travel that do not exceed \$30.00 in total, e.g., parking fees, highway tolls, or bus or taxi fares;
- 6) Petty cash funds may not be provided as advanced funds, except to pay for food, tolls, and fuel for school bus drivers and Educational Facilities Department staffers on overnight or out-of-town school trips.
- 7) Persons making unauthorized purchases or exceeding prescribed limits will be personally responsible for the cost of such purchases or such excess.
- 8) The Director of Accounting is responsible for the proper operation of the petty cash fund and for ensuring compliance with the regulations contained herein. Where circumstances warrant, the Director of Accounting may authorize exceptions to these regulations.

- 9) The forms prescribed by the Director of Accounting will be used in all cases for reimbursement purposes.
- 10) Under no circumstances will charges for alcoholic beverages or smoking tobacco or devices (cigarettes, cigars, e-cigarettes) be allowed for reimbursement.

**C. ALLOWABLE PAYMENTS:**

The following items may be paid through the petty cash fund:

- 1) Fees paid out of pocket when representing the school division on official business at a professional meeting; e.g., luncheon meeting.
- 2) Expenses paid out of pocket while conducting official business; e.g., bus or taxi fares, highway tolls, and parking lot and parking meter fees.
- 3) Sales taxes on materials and supplies, on food items, and on travel-related expenses if it is not practical for individuals to be given tax-exempt certificates prior to the purchase being made.

**D. THE PETTY CASH DISBURSEMENT PROCESS**

- 1) *Documentation:* All disbursements from the central office petty cash fund must be documented. The Central Office Petty Cash Voucher (attachment 1) is the recommended form of documentation. All documentation must contain the following information:
  - a. A brief description of the nature and purpose of the expenditures (e.g., parking in Alexandria for a meeting with the Neighborhood Council).
  - b. All applicable accounting codes (1100-XXXX-XXXXXX-XXXX-XXXX-XX-X)
  - c. Applicable supporting documentation (e.g., original cash register receipts, sales tickets, cash receipts, toll receipts, etc.).
  - d. The supporting documentation must not be more than 30 days old and must be for the current fiscal year.
  - e. Approval of the department head or department head's designee.
  - f. Claimant must comply with requirements a. through e. above before submitting the Central Office Petty Cash Voucher to the fund custodian.
- 2) *Submission of Claim:* Before money is actually paid out to the claimant, the fund custodian will:

- a. Examine the petty cash documentation for propriety and acceptability with the above requirements.
  - b. Ensure that the Central Office Petty Cash Voucher is supported by the appropriate documentation.
  - c. Have claimant provide identification, if necessary.
  - d. Have claimant sign and date the petty cash voucher.
  - e. Verify that the department head's account has sufficient funds to replenish the petty cash fund.
  - f. Place the amount to be reimbursed in an envelope and attach it to the Central Office Petty Cash Voucher.
  - g. Ensure that the claimant signs the Central Office Petty Cash Voucher before the money is released.
  - h. Ensure the payment is witnessed if the fund custodian is the claimant.
- 3) *Reimbursement of Claim:*
- a. Allow one work-day after submitting the Central Office Petty Cash Voucher for the fund custodian to process the reimbursement.
  - b. Reimbursement may be picked up between the hours of 8:00 a.m. and 12:00 p.m. on the following work day.
  - c. In the event the claimant is unable to come during these hours, the claimant should call to make certain the fund custodian is available to issue the reimbursement at alternative times during the work day.
- 4) *Travel Advance Requests by Transportation School Bus Drivers and Educational Facilities Department Staff members:*
- a. Requests for advanced petty cash funds can only be submitted for school-sanctioned activities occurring beyond a 50 mile radius from ACPS, and qualify as non-local travel.
  - b. Vouchers for advance petty cash requests must indicate -
    - i. estimated amounts for tolls and related travel costs,
    - ii. the number of traveling Pupil Transportation or Educational Facilities Department staffers.

- c. Vouchers for advance petty cash requests must be approved by department heads or their designees prior to the disbursing of the advanced funds.
- d. Department heads must ensure that itemized receipts are submitted within 24 hours of the conclusion of the travel activity.
- e. Itemized receipts totaling the amount of the advanced funds must be submitted to clear the advance petty cash voucher.
  - i. If the itemized receipts are less than the advanced amount, a cash payment must be provided with the receipts.
  - ii. If the itemized receipts exceed the advanced funds, no additional reimbursement will be provided unless additional costs were due to an emergency (ACPS vehicle repairs needed) or actual costs exceeded estimated amounts.

5) *Petty Cash Fund Reconciliation and Replenishment Process*

- a. The petty cash fund shall be reconciled by the fund custodian when vouchers total more than \$100.00, or when the available petty cash balance is less than \$500.00.
- b. The reconciliation shall identify the vouchers and amounts disbursed and include the supporting itemized receipts for each disbursed voucher.
- c. The reconciliation shall be provided as support for a special check request to replenish the petty cash fund to \$2,000.00.
- d. Periodically, the Director of Accounting or his/her designee shall perform an unannounced count of the petty cash fund and vouchers on hand.

Issued: August 31, 2015

| [Affirmed:](#)

Cross Ref.: DJF - Purchasing Procedures

Legal ref.: Code of Virginia, 1950, as amended, § 22.1- 123.

