

FERRY COUNTY
RESOLUTION NO. 2013-12
ESTABLISHING PETTY CASH POLICY & PROCEDURES

WHEREAS, RCW 42.26.040-080 allows the use of petty cash accounts with restrictions to miscellaneous petty or emergency expenditures, refunds legally payable by an agency, and cash change to be used in the transaction of the agency's official business; and

WHEREAS, the Board of Ferry County Commissioners intends by this Resolution to adopt a system for the authorization, control, implementation and the administration of petty cash accounts by County officials and employees; and

Whereas, the Board of Ferry County Commissioners constitutes the legislative authority of Ferry County and desires to approve and adopt the policy and procedures for petty cash accounts as being in the best interest of Ferry County.

NOW, THEREFORE BE IT RESOLVED that the Ferry County Board of Commissioners shall implement the attached policy and procedures for the authorization, control, implementation and administration of petty cash accounts by Ferry County Elected Officials, Department Heads, and employees as follows:

Establish and Administer Petty Cash and Change Funds

PURPOSE:

To establish official procedures and guidelines for petty cash, change fund and imprest funds for Ferry County employees.

ORGANIZATIONS AFFECTED:

All agencies of Ferry County government, including but not limited to the executive branch, the legislative branch, the departments of judicial administration, the judicial branch, Sheriff's department and the office of the Prosecuting Attorney.

REFERENCES:

1. RCW 42.26.040-080 allows the use of petty cash account with restrictions to miscellaneous petty or emergency expenditures, refunds legally payable by an agency, and cash change to be used in the transaction of the agency's official business.
2. RCW 43.09.185 mandates that any loss of public funds or illegal activity be immediately reported to the state auditor's office or any suspected loss of public funds or assets or other illegal activity.
3. State of Washington BARS Manual, Volume 1, Part 3, Chapter 3, Section C, references the minimum requirements for the establishment and operation of petty cash accounts.
4. State of Washington BARS Manual, Volume 1, Part 3, Chapter 3, Section C, item 4, on a monthly basis, the fund should be reconciled to the authorized balance and to the actual balance per bank statements or a counting of cash on hand. If this reconciliation is done by the custodian, it should be checked or re-performed periodically by someone other than the custodian.
5. State of Washington BARS Manual, Volume 1, Part 3, Chapter 3, Section C, item 6, whenever disbursements are made, the fund must be replenished at least monthly by warrant or check, unless it is less than \$15.00 which is a Board of County Commissioners (BOCC) requirement. The replenishment should be subject to the same review and approval as processed invoices.

EX. #7

6. Petty cash purchases of miscellaneous items shall not exceed one hundred dollars. The Elected Official, Department Head, or Office Manager will authorize reimbursement to each department or agency employee or official authorized to make such petty cash expenditures upon delivery of vendor's sales receipt. The authorized designee of the Ferry County department or agency will certify the vendor's paid sales receipt prior to reimbursement.

DEFINITIONS:

1. Petty cash - A sum of money set aside for the purpose of paying small obligations for which the issuance of a payment request and warrant would not be cost-effective.
2. Change fund - A sum of money set aside for the purpose of making change where cash is collected.
3. Imprest fund - An account into which a fixed amount of money or cash equivalent is placed for the purpose of making change or minor disbursements.

POLICIES:

1. All county agencies requiring a petty cash and/or change fund shall comply with these policies and procedures that are in agreement with the state and county code for maintaining control of county funds.
2. All county agencies requesting a petty cash and/or change fund shall be required to administer the funds properly or they will be required to return the fund.

OVERVIEW OF POLICIES:

- A. The Board of County Commissioners (BOCC) shall establish all petty cash funds to provide a source of cash to agencies for the direct payment for small purchases limited to situations where it is impractical to provide payment through the Accounts Payable process. These purchases must be in the course of official County business.
- B. The BOCC shall establish change funds for agencies which collect cash and make change. A fund shall consist of a fixed amount of cash solely for this purpose.
- C. An agency shall maintain one petty cash fund at a single location. An exception may be granted by the BOCC for extenuating circumstances.
- D. An agency may have several change funds at a single location if necessary.
- E. The BOCC may close a fund if it is determined that the fund has been improperly administered or is no longer necessary. Questions regarding policies and procedures for petty cash/change funds should be addressed to the Chief Accountant or Payroll/Accounts Payable Specialist.
- F. Petty cash and change funds shall be audited on a random basis to determine the proper maintenance of each fund. Agencies authorized to conduct audits are the County Auditor and the State Examiner.

ESTABLISHMENT OF A PETTY CASH OR CHANGE FUND:

1. To establish a petty cash or change fund or to change an existing fund, the following steps shall be followed:

Action by Elected Official or Department Head:

- A. Prepares a request to establish a petty cash or change fund or to change an existing fund. The following information must be included in the request:
 1. Purpose of fund;
 2. Amount requested (estimated average expenditure for a two-week period);
 3. Name of the custodian who shall be a regular, active County employee;
 4. Method of safekeeping fund;
 5. Location of fund.
- B. Sends written request to the BOCC.

Action by BOCC:

- A. Approves or denies request.
- B. If the request is approved:
Forwards the request to the Treasurer Staff for the issuance of the check in the name of the designated custodian.
- C. If the request is denied:
The BOCC shall notify the Elected Official or Department Head.

Action by Fund Custodian:

- A. Picks up original check for the Elected Official or Department Head.
 - B. Cashes check and keeps cash in a secured and orderly manner.
2. If the requested fund is approved by the BOCC, the Ferry County Treasurer shall issue a check in the name of the designated custodian. The original check must be picked up from the Ferry County Treasurer by the custodian.

MAINTENANCE OF A PETTY CASH OR CHANGE FUND:

1. The Ferry County Treasurer shall:
 - A. Maintain a documentation file regarding the establishment and any revisions for each petty cash and change funds.
 - B. Maintain a current list of petty cash and change funds. A list will be issued to the Ferry County Auditor on an annual basis, in November so a letter can be sent for annual confirmation from each agency.
2. The Ferry County Auditor shall:
 - A. Coordinate efforts with agency staff to resolve reported discrepancies.
 - B. Audit petty cash and change funds at least on an annual basis.
 - C. Audit petty cash when the custodian has left the employment of the County.
 - D. Request an annual confirmation from each agency signed by the Elected Official, Department Head, for all petty cash and/or change funds. The annual confirmation shall include:
 1. Physical location of each fund
 2. Name of the custodian for each fund
 3. Amount of cash for each fund
3. Theft of Petty Cash or Change Fund.
 - A. Notify the Auditor or Chief Accountant immediately in the event of suspected theft or loss of Public funds (RCW 43.09.185).
 - B. Documentation of theft shall be forwarded to the Auditor's Office which includes a copy of the police report, information as to when and how the theft occurred and a plan of action to prevent theft in the future.
 - C. The Auditor or Chief Accountant shall notify Risk Management and the State Auditor.
 - D. A reimbursement prepared by the BOCC charged to the organization's appropriation is required to receive a reimbursement warrant.
4. *Closure or Reduction in Amount of a Petty Cash or Change Fund.*
 - A. The custodian shall ensure that the amount is the same as originally provided.
 - B. The requesting department shall provide written notice to the BOCC.
 - C. The BOCC staff shall prepare a Cash Transmittal and Receipt form for cash received and deposit the cash with the Treasurer's Office cashier.

D. The Auditor or Chief Accountant staff shall prepare a General Journal entry to record expenditures represented by the petty cash slips and/or purchase receipts information.

E. The Auditor or Chief Accountant staff shall provide copies to the agency custodian.

OPERATION AND MAINTENANCE OF FUNDS:

1. Petty Cash

A. Petty cash shall be used for legitimate County purchases limited to \$100.00 per transaction.

B. Petty cash shall not be used for personal cash advances or to cash personal checks (State of Washington BARS Manual Chapter 3, Section C, Item 9).

C. Petty cash that is advanced for approved purchases must have a petty cash request signed by the petty cash custodian. This shall be done on the advanced petty cash form.

D. The receipt and change are to be turned in and signed by the petty cash custodian.

E. Prior to the distribution of funds, the custodian shall verify the accuracy of the employee's reimbursement request and approval authorization.

F. The custodian shall ensure that the following represents the authorized petty cash amount:

1. Cash on hand.
2. Cash disbursements represented by a petty cash form and receipts.
3. Cash disbursements waiting reimbursement from Accounts Payable Section.

G. The Petty Cash Custodian shall obtain reimbursement for expenses paid out of petty cash and shall:

1. Prepare an Accounts Payable reimbursement request and certify to the disbursement of funds.
2. Obtain an authorized Accounts Payable signature. Persons authorizing the payment shall be neither a subordinate to nor of a lower job classification than the custodian.
3. Properly complete the petty cash voucher for all disbursements and attach receipts.
4. Submit to Accounts Payable staff.

H. Petty cash funds shall be balanced once a month, by the custodian, then verified and signed by the Elected Official or Department Head. All copies of the balanced monthly sheet shall be kept for yearly audit review.

I. At the end of the year, the petty cash fund shall be reimbursed to its imprest amount so that all expenditures are recorded in the proper year.

2. CHANGE FUNDS

A. Receipts shall be deposited to the Treasurer's Office cashier or depository bank account intact daily, leaving the change fund constant. Any shortage or overage shall be reported as part of the day's deposit by using the Cash Overage/Shortage account on the Cash Transmittal and Receipt form. Deposits are done daily unless it is non-feasible then it shall be done weekly.

B. Change funds must always be a fixed amount of cash only and accounted for by the custodian.

C. Change funds shall not be used to cash personal checks.

Steps for using Petty Cash:

1. Employee makes a request for petty cash and has the custodian fill out the advance petty cash form with an estimate of purchase.
2. Supervisor reviews the request, authorizes advances funds or reimbursements for legitimate County business and initials the petty cash form.

3. Fund Custodian reviews the advance petty cash form and verifies accuracy and the approval authorization prior to the distribution of funds. Petty cash shall be limited to purchases of \$100.00 or less per transaction.
4. Employee returns receipt and change. The petty cash form is initialed by the custodian and by the employee upon return with change and receipt.
5. Fund Custodian obtains reimbursement for expenses paid out of petty cash and ensures that the following represents the authorized petty cash amount:
 - a. Cash on hand;
 - b. Cash disbursements represented by petty cash form receipts;
 - c. Cash disbursements waiting reimbursement from Accounts Payable.
6. Fund custodian prepares an Accounts Payable reimbursement voucher request and certifies to the disbursement of funds.
7. Fund Custodian obtains an authorized Accounts Payable signature. Persons authorizing the payment request shall be neither a subordinate to nor of a lower job classification than the custodian.

Furthermore, the Fund Custodian shall properly complete the Petty Cash Activity Sheet (see Appendix 9.1) for all disbursements, attaches receipts and shall properly complete the advanced petty cash form by initialing off on the form (see Appendix 9.2) upon the return of change and receipts.

Steps for using Change Funds:

1. Deposits receipts to the Treasurer Cashier or depository bank account intact daily, leaving the change fund constant. (Unless deposits are done weekly)
2. Reports any shortage or overage as part of the day's deposit by using the Cash Overage/Shortage account on the Cash Transmittal & Receipt form.

FINES AND PENALTIES:

Any County employee or elected official who incurs unauthorized costs shall be held personally liable for all said costs.

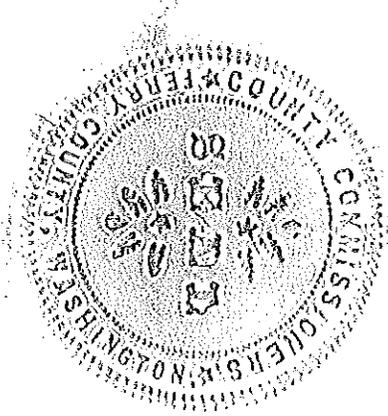
RESPONSIBILITIES

1. Elected Officials or Department Heads are responsible for requesting approval for petty cash funds and change funds to be established in their departments/agencies; assigning a Fund Custodian to administer funds; and preparing annual confirmation for department/agency funds.
2. BOCC is responsible for approving department requests to establish petty cash and change funds.
3. BOCC is responsible for establishing petty cash funds and change funds for county departments/agencies, as appropriate; and closing funds that have been improperly administered.
4. Fund Custodian is responsible for administering funds properly; notifying Auditor or Chief Accountant of suspected theft or loss of public funds; and depositing receipts to the Treasurer's Office or depository bank account daily.
5. Employees are responsible for prudent judgment when seeking reimbursement for legitimate county expenditures.
6. Elected Official or Department Head are responsible for insuring that Petty Cash, Change funds and imprest funds are reconciled to the authorized balance, on a monthly basis.

APPENDICES

- A. Petty Cash Activity Sheet - Available from the Auditor's Office
- B. Advance Petty Cash Form - Available from the Auditor's Office

ADOPTED this 4th day of March 2013.



FERRY COUNTY BOARD OF COMMISSIONERS
FERRY COUNTY, WASHINGTON

Brad L. Miller

BRAD L. MILLER, Chairman

Absent

BRIAN DANSEL, Vice Chairman

Mike Blankenship

MIKE BLANKENSHIP, Member

ATTEST:

Hayley Aubertin
HAYLEY AUBERTIN
Clerk of the Board

~Advance Petty Cash Form ~

2013

Date	Cash Out	Who	Purpose	Cash In	Amount	Custodian Approval/Signature
2/10/2012	40.00	Jane Doe	Stamps		45.00	
2/16/2012	5.00	Jane Doe	PR Mailing	3.30	1.70	
5/4/2012	10.00	Jane Doe	PR Mailing	7.40	2.60	
5/18/2012	5.00	Jane Doe	PR Mailing	2.50	2.50	
5/24/2012	45.00	Jane Doe	Postage		45.00	
7/2/2012	10.00	Jane Doe	Background Check		10.00	
7/9/2012	15.00	Jane Doe	PR Mailing	4.70	10.30	
8/15/2012	2.00	Jane Doe	PR Mailing	0.70	1.30	
9/6/2012	4.00	Jane Doe	PR Mailing	0.20	3.80	
11/9/2012	20.00	Jane Doe	Postage	13.40	6.60	
12/5/2012	1.00	Jane Doe	Postage	0.35	0.65	

Sample Advance Petty Cash Slip

A	B	C	D	E	F	G	H
1	FERRY COUNTY Name of Dept PETTY CASH		Total Cash amount \$100.00				
2	Activity Sheet	2013					Balanced
3	DATE	WHO	PURPOSE	EXPENDITURE PAID	REIMBURSEMENT	CASH BALANCE	
4						Beginning Cash	
5						100.00	
6	2/10/2012	Jane Doe	Stamps	45.00		55.00	
7	2/10/2012		REIMBURSEMENT		45.00	100.00	X
8	2/16/2012	John Doe	PR Mailing	1.70		98.30	
9	3/7/2012	John Doe	Supplies	35.00		63.30	
10	3/13/2012	Jane Doe	PR Mailing	4.25		59.05	
11	3/13/2012	Jane Doe	Supplies	4.85		54.20	
12	March		REIMBURSEMENT		45.80	100.00	X
13	5/4/2012	Jane Doe	PR Mailing	2.60		97.40	
14	5/18/2012	Jane Doe	PR Mailing	2.50		94.90	
15	5/24/2012	Jane Doe	PR Mailing	45.00		49.90	
16	June		REIMBURSEMENT		50.10	100.00	X
17	7/2/2012	John Doe	Background check	10.00		90.00	
18	7/9/12	John Doe	PR Mailing	10.30		79.70	
19	8/15/2012	John Doe	PR Mailing	1.30		78.40	
20	8/20/2012	John Doe	REIMBURSEMENT		21.60	100.00	X
21	8/23/2012	Jane Doe	PR Mailing	5.30		94.70	
22	9/6/2012	John Doe	PR Mailing	3.80		90.90	
23	11/9/2012	Jane Doe	Postage	6.60		84.30	
24	11/20/2012		REIMBURSEMENT		15.70	100.00	X
25	12/5/2012	John Doe	Postage	0.65		99.35	
26							
27							
28							

Example of Petty Cash Activity Sheet